



Daily Report

East Asia

FBIS-EAS-96-106

Friday

31 May 1996

This report may contain copyrighted material. Copying and dissemination
is prohibited without permission of the copyright owners.

Daily Report

East Asia

FBIS-EAS-96-106

CONTENTS

31 May 1996

NOTICE: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

Inter-Asian Affairs: 'Mixed' Reaction to U.S. Alliance [ASAHI SHIMBUN 20 May]	1
Inter-Asian Affairs: Mekong Basin Meeting Project Proposals [THE STAR 25 May]	1

NORTHEAST ASIA

Japan

Japan: Logistic Support, Evacuation Issue Studies Combined [NIHON KEIZAI SHIMBUN 16 May]	2
Japan: SDP Against Legislation on Forced Military Land Use [KYODO]	2
Japan: Vice Governor on Naha Port Transfer to Urasoe [OKINAWA TIMES 26 May]	2
Japan: Kajiyama Urges Studies To Prepare for Sea Emergencies [SANKEI SHIMBUN 22 May]	3
Japan: Defense Talks Make Far East 'Emergencies' Priority [NIHON KEIZAI SHIMBUN 30 May]	4
Japan: SDP, Sakigake Approve SDF Ship Rescue of Japanese [KYODO]	4
Japan: Tokyo To Set Up Task Forces To Study Emergency Plans [ASAHI SHIMBUN 17 May]	5
Japan: Article Notes Need To Reconsider ODA to PRC [SAPIO 22 May]	5
Japan: AIU To Probe Insurance Rate Revision to Ministry [KYODO]	8
Japan: Industry Reaction 'Mixed' To Failed Insurance Talks [KYODO]	8
Japan: Kubo Says Insurance Talks To Continue [KYODO]	9
Japan: Trade Minister Calls For Private-Sector Microchip Setup [KYODO]	9
Japan: Eeca Chairman Seeks Market Share Expansion During Visit [NIHON KEIZAI SHIMBUN 15 May]	10
Japan: MITI Head Hoping To Meet Oga Over U.S. Chip Deal [KYODO]	10
Japan: Chip Makers To Mainly Seek 'Private-Sector Accord' [KYODO]	11
Japan: Fuji Photo To Abolish Rebate System in U.S. [KYODO]	11
Japan: Fuji Rebutts Kodak Claims in Report to USTR [KYODO]	12
Japan: Automakers Cite Positive Role in U.S. Economy [KYODO]	12
Japan: MOFA Spokesman on International Situation [Japanese Ministry of Foreign Affairs WWW]	13
Japan, DPRK Favor Government-Level Talks on Normalization [NIHON KEIZAI SHIMBUN 23 May]	17
Japan: Hashimoto Concerned Over Alleged DPRK Intrusion in ROK [AFP]	17
Japan: Hashimoto Denies Higher Tension in Korean Peninsula [KYODO]	18
Japan: MOFA Views Ramifications of DPRK Defection [TOKYO SHIMBUN 24 May]	18
Japan: Ikeda: North Korean Sought Asylum Via Beijing Embassy [KYODO]	18
Japan: Paper Reports on Defector's Methods, Whereabouts [KYODO]	19
Japan: Kajiyama on DPRK Rice Aid: 'Difficult at the Moment' [NIHON KEIZAI SHIMBUN 23 May]	19
Japan: Hashimoto Asks SDP Not To Discuss Aid With DPRK Mission [KYODO]	19
Japan: WPK Secretary Sends Rice Aid Request to SDP [YOMIURI SHIMBUN 25 May]	20
Japan: SDP Chairman Murayama Supports Rice Aid to DPRK [YONHAP]	20
Japan: Official Comments on Leadership Role at G-7 Summit [KYODO]	20
Japan: Government Warns Indonesia Against National Car Policy [NIHON KEIZAI SHIMBUN 24 May]	20
Japan: Aung Sang Suu Kyi Opposes 'Resumption of Yen Loans' [KYODO]	21

Japan: Tokyo, Moscow To Hold Fishing Talks 4-5 Jun [KYODO]	22
Japan: Fishery Production Drops for 7th Straight Year in 1995 [KYODO]	22
Japan: Hashimoto Discusses Comfort Women Issue [KYODO]	22
Japan: Home Ministry Starts Nationality Guideline Review [KYODO]	22
Japan: LDP Unwilling To Accept DPRK Delegation Visit 27 May [ASAHI SHIMBUN 23 May]	23
Japan: Sakigake's Hatoyama on New Party Issue [Shima Media Network WWW]	23
Japan: LDP's Obuchi on Coalition Government, Ties With Ozawa [TOKYO SHIMBUN 22 May]	25
Japan: SDP Deputy Head Hints at Coalition Reconsideration [MAINICHI SHIMBUN 23 May]	26
Japan: Editorial on Hashimoto's Administrative Reform 'Vision' [MAINICHI SHIMBUN 27 May]	26
Japan: Official Shows 'Reservations' About Amending BOJ Law [KYODO]	27
Japan: 'Sources' Say BOJ Making Guidelines on Revising BOJ Law [KYODO]	27
Japan: Ex-Finance Official To Quit From 'Jusen' Fiasco [KYODO]	28
Japan: Kubo Ready To Meet Bank Leaders on 'Jusen' Burden [KYODO]	28
Japan: Finance Minister Supports Merger of Credit Associations [KYODO]	29
Japan: Finance Official Explains Remarks on Interest Rates [KYODO]	29
Japan: Finance Ministry: Bad Bank Loans Drop in FY95 2d Half [KYODO]	29
Japan: BOJ Head Seeks Understanding for 'Easy Monetary Policy' [KYODO]	30
Japan: BOJ Says Economy Recovering at Moderate Pace [KYODO]	30
Japan: Top Banker Retracts Remarks on Monetary Issue [KYODO]	30
Japan: Keidanren Head Says Tax Increase 'Unavoidable' [KYODO]	31
Japan: Ruling Parties To Devise Way To Reform Finance Ministry [KYODO]	31
Japan: Former Chief of Cosmo Credit Rearrested [KYODO]	32
Japan: Panel Begins Talks on Relocation of Capital [KYODO]	32
Japan: Science White Paper Points Out Lag in Research Standard [NIHON KEIZAI SHIMBUN 14 May]	33
Japan: Science Agency Reprimands Officials Over Monju Leak [KYODO]	33
Japan: New Monju Chief Vows Fresh Start, Open Organization [KYODO]	34
Japan: Telecom Ministry Urges Data Infrastructure Improvement [KYODO]	35
Japan: Mitsubishi Announces PRC Technology Assistance Pact [KYODO]	35
Japan: Advisory Panels Disagree on Social Security Costs [KYODO]	35
Japan: Elderly Asked To Pay Bigger Share for Welfare [KYODO]	36

North Korea

DPRK: ROK Decision To Restructure 'Defence Drills' Criticized [KCNA]	36
DPRK: Daily Decries ROK Judgments on Pro-North Dissidents [KCNA]	36
DPRK: ROK 'Fascist Clique' Suppression of Pommiminnyu Decried [KCNA]	37
DPRK: NCNP Cited on People's 'Hate' of ROK Government [KCNA]	37
DPRK: SKNDP Denounces ROK 'Crackdown' on 'Democratic Forces' [KCNA]	37
DPRK: ROK Criticized for Arresting Pro-Reunification Patriots [KCNA]	38
DPRK: ROK's Opposition Parties' 26 May Rally Noted [KCNA]	38
DPRK: Yi In-mo's Arrival in New York Reported [Pyongyang Radio]	38
DPRK: U.S. 'Allegation' on Russian Tech Transfer to PRC [Pyongyang Radio]	39
DPRK: U.S. 'Aerial Espionage' in May Reported [KCNA]	39
DPRK: Talk Assails Japan-U.S. Military Collusion [Pyongyang Radio]	39
DPRK: Talk Denounces Japan's 'Military Expansion' With U.S. [Pyongyang Radio]	40
DPRK: Daily Decries Japan's 'Ambition for Overseas Expansion' [KCNA]	41
DPRK: Pakistani Prime Minister Sends Relief Aid to DPRK [KCNA]	42
DPRK: Foreign Nations, Groups Support DPRK Peace Proposal [KCNA]	42
DPRK: Daily Marks 10th Anniversary of Kim Il-song's WPK Work [KCNA]	42

South Korea

ROK: Political Circles' Reaction to DPRK MiG Defection Noted [MUNHWA ILBO 24 May]	43
---	----

ROK's Reaction to DPRK Pilot Defection Said 'Low-Key' [<i>THE KOREA TIMES</i> 25 May] ...	44
ROK: DPRK's Failure To Detect MiG Due to Poor Radar Network [<i>THE KOREA TIMES</i> 25 May] ...	44
ROK To Adopt Integrated Civil Air-Raid Warning System [<i>The Joong-Ang Ilbo WWW</i>]	45
ROK: President Kim Extols 4 Air Force Men Over MiG-19 Case [<i>YONHAP</i>]	45
ROK: Hard-Liners Seen Behind DPRK Air Force Reorganization [<i>TONG-A ILBO</i> 26 May] ...	45
ROK Said Arrested DPRK Agent Attempted To Kill Defector [<i>HANGUK ILBO</i> 29 May]	46
ROK: Two DPRK Scientists Seek Political Asylum in Beijing [<i>YONHAP</i>]	46
ROK: Asylum Seekers Reportedly DPRK Scientist, Writer [<i>Seoul Radio</i>]	46
ROK: DPRK Asylum Seekers 'Expected' in Seoul 31 May [<i>Seoul Radio</i>]	47
ROK: Dailies Comment on DPRK Scientist, Writer's Defections [<i>TONG-A ILBO</i> 31 May, etc.]	47
ROK: Kwon O-ki: DPRK Will Not Collapse in 'Immediate Future' [<i>YONHAP</i>]	48
ROK: Kim Tae-chung Analyzes DPRK's Hostility Toward ROK [<i>YONHAP</i>]	48
ROK: Japanese Lawmaker: DPRK To Accept 4-Way Talks by 10 Jun [<i>YONHAP</i>]	48
ROK: Daily Suggests DPRK About To Okay Four-Way Talks [<i>HANGYORE SINMUN</i> 22 May]	49
ROK: Gallucci on DPRK Food Aid, Four-Party Talks, DMZ Incursion [<i>YONHAP</i>]	49
ROK: Researcher Views Four-Party Talks, Current DPRK System [<i>YONHAP</i>]	50
ROK: 'Acute' PRC-DPRK Dispute Over 4-Way Talks [<i>CHUNGANG ILBO</i> 24 May]	50
ROK To Push Ahead Four-Way Talks Despite Recent Incidents [<i>KYONGHYANG SINMUN</i> 25 May]	51
ROK: Government Opposes Separate DPRK-U.S. Contacts [<i>SEOUL SINMUN</i> 26 May]	52
ROK: Richardson Notes 'Severe Food Shortage' in DPRK [<i>YONHAP</i>]	52
ROK: DPRK Asserts, U.S. Denies Direct Military Talks in 1995 [<i>YONHAP</i>]	52
ROK: U.S. To Decide on Rice Aid to DPRK 'Next Week' [<i>The Joong-Ang Ilbo WWW</i>]	53
ROK: DPRK Sends 'Reserved Military Provisions' to Provinces [<i>CHUNGANG ILBO</i> 30 May]	53
ROK: Editorial Criticizes DPRK Refusal of Rice Aid Dialogue [<i>The Digital Chosun Ilbo WWW</i>]	53
ROK: DPRK Reportedly Lists Foreign Projects in Naju-Sonbong [<i>YONHAP</i>]	54
ROK: U.S. Issues Visa to Former North Korean Guerrilla [<i>YONHAP</i>]	54
ROK: Former DPRK Guerrilla Fighter Yi In-mo Arrives in New York [<i>YONHAP</i>]	54
ROK: Article on Meaning of U.S. Granting Visa to Yi In-mo [<i>CHUNGANG ILBO</i> 30 May]	55
ROK: Editorial Sees U.S. Policy on DPRK 'Changing' [<i>The Digital Chosun Ilbo WWW</i>]	56
ROK: New Russian DPRK Envoy Warns Against 'Pressure' on DPRK [<i>YONHAP</i>]	56
ROK: Russian Diplomat: DPRK Ready To Begin War in 1975 [<i>YONHAP</i>]	57
ROK: DPRK Opium Dealers Caught in Trafficking in Russia [<i>Seoul TV</i>]	57
ROK: DMZ Exclusion From World Ban on 'Dumb Mines' Questioned [<i>HANGYORE SINMUN</i> 19 May]	58
ROK: More on Initiating of KEDO-DPRK Protocol Agreement [<i>YONHAP</i>]	58
ROK: South Korea To Join International Monitoring System [<i>YONHAP</i>]	59
ROK: Pupyong Civilians Demand Relocation of U.S. Army Base [<i>HANGYORE SINMUN</i> 26 May]	59
ROK Said To Join Convention Banning Chemical Weapons [<i>The Joong-Ang Ilbo WWW</i>]	60
ROK: Defector Acquitted of National Security Law Violation [<i>The Digital Chosun Ilbo WWW</i>]	60
ROK: Editorial Criticizes NKP's Majority [<i>The Digital Chosun Ilbo WWW</i>]	60
ROK: Article: Possibility of Yi Hong-ku as Next President [<i>CHUGAN CHOSON</i> 30 May]	60
ROK: Editorial Criticizes Kim Tae-chung's 'New Power Theory' [<i>The Digital Chosun Ilbo WWW</i>]	62
ROK: Editorial on Opposition's Case in Constitutional Court [<i>TONG-A ILBO</i> 23 May]	62
ROK: NKP Chairman-Opposition Talks Unlikely Until 2 Jun [<i>TONG-A ILBO</i> 23 May]	63
ROK: Opposition Likely To Accept NKP President's Call for Talks [<i>TONG-A ILBO</i> 23 May]	63
ROK: NKP Urges Opposition Parties To Call Off Outdoor Rally [<i>YONHAP</i>]	64
ROK: Political Parties Show No Signs of 'Business as Usual' [<i>THE KOREA HERALD</i> 25 May]	64
ROK: Opposition Leader 'Skeptical' About 26 May Rally Success [<i>THE KOREA TIMES</i> 25 May]	65

ROK: Opposition Rally Criticizes NKP's 'Artificial Majority' [YONHAP]	65
ROK: Former NKP Chairman, Yi Se-ki Reportedly Met 'Secretly' [THE KOREA TIMES 26 May]	66
ROK: Opposition To Negotiate With, Protest Against NKP [The Joong-Ang Ilbo WWW]	66
ROK: Opposition Urged To End 'Out-of-Parliament Struggle' [YONHAP]	67
ROK: Article Views Opposition's Rally at Poramae Park [THE KOREA TIMES 28 May]	67
ROK: NKP Chairman Yi Hong-ku Interviewed [SISA JOURNAL 30 May]	68
ROK Files Application To Join Convention on Property Rights [YONHAP]	69
ROK, EU Meet on Bilateral Government Telecom Procurement [YONHAP]	70
ROK: Editorial Comments on Government's Chaebol Policy [The Digital Chosun Ilbo WWW]	70
ROK: Plan To Import Rice for Daily Food Viewed [HANGYORE SINMUN 22 May]	71
ROK: Government Blamed for 'Worsening' Rice Supply Situation [The Digital Chosun Ilbo WWW]	71
ROK: Government To Revise Obligatory Military Service Law [The Joong-Ang Ilbo WWW]	72

SOUTHEAST ASIA

Burma

Burma: Article Voices Concern Over Confrontation [BANGKOK POST 28 May]	73
Burma: Suu Kyi Interviewed on Outcome of NLD Congress [London International]	74
Burma: Editorial Tells Foreign Nations 'Do Not Interfere' [THE NEW LIGHT OF MYANMAR 30 May]	75
Burma: Editorial Condemns Those Seeking To Undermine Achievements [THE NEW LIGHT OF MYANMAR 31 May]	76
Burma: 'Sources' Say 60 NLD Activists Released; Nine Face Trial [AFP]	77
Burma: National League for Democracy Members Face Jail Terms [Melbourne International]	77

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Hosts Dinner for Thai Prime Minister [THE STAR 30 May]	77
Malaysia: Prime Minister Announces Amnesty for Thai Prisoners [Kuala Lumpur TV]	78
Malaysia: Mahathir, Thailand's Banhan To Settle Border Issue [THE STAR 31 May]	78
Malaysia: Kazakhstani President Departs for Singapore [THE STAR 30 May]	78

Singapore

Singapore: Kazakhstani President Addresses Businessmen [Singapore Radio]	79
Singapore: Air Accord Signed With Kazakhstan [THE STRAITS TIMES 30 May]	79
Singapore: Thai Prime Minister Banhan Arrives, Holds Talks [Singapore Radio]	80
Singapore: Thailand's Banhan Outlines Agenda for Visit [THE STRAITS TIMES 30 May]	80
Singapore: Thailand's Banhan on Importance of Mekong Region [THE STRAITS TIMES 30 May]	81
Singapore: Goh, Burkina Faso's Compaore Discuss Trade Relations [THE STRAITS TIMES 25 May]	82
Singapore: Defense Minister on SAF Officer Selection System [THE STRAITS TIMES 29 May]	82

Cambodia

Cambodia: First Prime Minister Comments on King's Health [Phnom Penh Radio]	83
Cambodia: Ranariddh Says King Sihanouk 'Recovering Quickly' [AFP]	83
Cambodia: Khieu Samphan on Two-Headed Regime Conflicts [Radio PGNUNS]	84
Cambodia: Ranariddh's Reconciliatory Attitude Criticized [Radio PGNUNS]	86

Indonesia

Indonesia: Jakarta To Send Back SRV Refugees; 86 PRC Refugees Stranded [Jakarta Radio]	87
--	----

Indonesia: Air Force Chief Cites Foreign Aircraft Intrusions [<i>ANGKATAN BERSENJATA</i> 29 May]	29	87
Indonesia: Government: New Political Party 'Unconstitutional' [<i>MEDIA INDONESIA</i>] .....	.....	88

Thailand

Thailand: Counter Trade Accord Signed for Purchase of F-18's [<i>MATICHON</i> 31 May] .....	.....	89
Thailand: New Finance Minister Predicts 10-Percent Growth Rate [<i>BANGKOK POST</i> 31 May]	.....	89
Thailand: Dailies Comment on Cabinet Reshuffle [<i>MATICHON</i> 30 May, etc.] .....	.....	90

Vietnam

SRV: Article Comments on National Defense, Renovation [<i>TAP CHI QUOC PHONG TOAN DAN</i> Jan] .....	.....	91
SRV: Certificates of Origin Issued for ASEAN Markets [<i>VNA</i>] .....	.....	92
SRV: Customs Director Comments on Fight Against Smuggling [<i>VNA</i>] .....	.....	93
SRV: Inflation Rate Drops to 'Record Low' of 3.8 Percent [<i>Hanoi International</i>] .....	.....	93
SRV: Ministry Holds Conference on Labor Disputes, Strikes [<i>Hanoi Radio</i>] .....	.....	93
SRV: Vo Van Kiet Marks Anniversary of Power Line's Operation [<i>VNA</i>] .....	.....	94
SRV: Article Discusses Elimination of Bureaucracy, Corruption [<i>SAIGON GIAI PHONG</i> 23 May] .....	.....	94
SRV: Political Institute Official on 20 Years' Achievements [<i>TAP CHI QUOC PHONG TOAN DAN</i> Jan] .....	.....	95
SRV: General on Ho Chi Minh City's National Defense Work [<i>TAP CHI QUOC PHONG TOAN DAN</i> Jan] .....	.....	98

AUSTRALASIA

Australia

Australia: Foreign Minister on U.S. Ties, Prepositioning [<i>Melbourne International</i>] .....	.....	101
Australia Opposes Inclusion of Labor Standards at WTO [<i>Melbourne International</i>] .....	.....	102
Australia Hopes To Avert 'Diplomatic Clash' With Thailand [<i>THE SYDNEY MORNING HERALD</i> 30 May] .....	.....	102

Kiribati

Kiribati: President Tito on Opposition to Nuclear Dump [<i>Melbourne International</i>]	102
---	-------	-----

New Zealand

New Zealand: Editorial Views Position of Political Parties [<i>THE SYDNEY MORNING HERALD</i> 27 May]	103
---	-------	-----

Papua New Guinea

Papua New Guinea: Increase in Border Surveillance Seen [<i>Melbourne International</i>] .....	.....	104
Papua New Guinea: Revolutionary Army Leaders on Hostage Fate [<i>Melbourne International</i>] .....	.....	104

Solomon Islands

Solomon Islands: PNG To Provide Compensation for 'Incidents' [<i>AFP</i>]	104
---	-------	-----

Inter-Asian Affairs: 'Mixed' Reaction to U.S. Alliance

OW2305141096 Tokyo ASAHI SHIMBUN in Japanese 20 May 96 Morning Edition p 2

[FBIS Translated Text] Leaders of the ASEAN states and other Asian and Pacific countries show mixed reactions to the Japan-U.S. security alliance, which has taken the first step to actually expand its scope from the Far East area to the entire Asia-Pacific region, since the Japan-U.S. summit meeting in April.

Behind such reactions are both expectations placed on the security alliance as a deterrent to China's military expansion, and apprehensions about an increasing role for Japan in Asia — based on their past experience — and about the danger of this alliance triggering an arms race in the region.

The Japanese Government faces the problem of how to alleviate the Asian nations' "distrust" through the preparatory meeting of the ASEAN Regional Forum (ARF) and other venues.

At a symposium in Tokyo on 17 May, visiting Malaysian Prime Minister Datuk Mahathir said that, "Nations which think that the alliance was created to compete with them may resort to military countermeasures, and this may then lead to an arms race." He tried to point out that the "strengthening" of the Japan-U.S. security alliance may rather trigger an arms expansion in China and other parts of the region.

The Japanese Government regards Mahathir as "the ASEAN leader who keeps the most distance from the United States, (according to a government source), and thinks that the above statement is rather meant to "inhibit the United States." However, it is also true that there is insufficient understanding of the bilateral alliance, and one senior Foreign Ministry official has to admit that "there will be understanding if we explain to the various countries."

Recently, it was also reported in an English newspaper that Indonesian Foreign Minister Ali Abdullah Alatas stated that, "It is an extremely sensitive question for the Japanese armed forces to play a role in the world."

On the other hand, Philippine Secretary of Foreign Affairs Domingo Siazon, during a meeting with Foreign Minister Yukihiko Ikeda on 15 May, said: "Japan's political and security role should be commensurate to its economic power." He "welcomed" the results of the Japan-U.S. summit. Immediately after the summit, President Fidel Ramos had also expressed approval of the decision to maintain the U.S. troop level. He said: "The continued U.S. presence, even with the reduction

of bases in Okinawa, is very welcomed." Australia and New Zealand take a similar position.

The Foreign Ministry's analysis of such a positive response is: "The ARF has not developed to a stage where it can fully assume the responsibility for regional security. Many countries think the United States is necessary." In particular, the ministry thinks that apprehension about China's promotion of military modernization along with its economic development is behind this.

However, among these countries, there is also a strong demand for more thoughtful considerations. As Ramos said in his speech in Tokyo on 17 May: "I hope Japan will promote further regional dialogue and cooperation on security."

Inter-Asian Affairs: Mekong Basin Meeting Project Proposals

BK2505124496 Kuala Lumpur THE STAR in English 25 May 96

[Report by Harpajan Singh and Shahanaaz Sher Habib — received via Internet]

[FBIS Transcribed Text] Langkawi — The six Grand Mekong Region countries will submit individual project proposals for the Mekong Basin within the next week, Foreign Ministry secretary-general Tan Sri Ahmad Kamil Jaafar said. He told reporters at the end of the two-day meeting yesterday that the proposals would have to be submitted to the ASEAN-Mekong steering committee by June for the ministers to study them during the ministerial session on June 17. He said the six — Thailand, Myanmar [Burma], Laos, Cambodia, Vietnam and Yunnan province in south China — had come to the meeting with various ideas of projects that should be undertaken by the core group developing the region, including ASEAN. The meeting decided on the first day that development programmes under the ASEAN-Mekong programme would focus on agriculture, forestry, tourism, infrastructure, industry and human resource development. Ahmad Kamil said there would be two categories of projects — hard and soft projects. Hard projects will list infrastructure development ventures and other physical projects while the soft projects category covers rules, regulations and laws governing projects. Ahmad Kamil added that a fund may be set up to extend development aid to countries in the Mekong Basin. He said the idea of a Mekong Fund would be raised at the ASEAN-Mekong ministerial meeting in Kuala Lumpur next month. He said as the proposed development of the Mekong Basin was on a massive scale, it wanted countries with the funds to get involved.

was held at the Ginowan Civic Hall on the afternoon of 25 May under the sponsorship of Okinawa Regional Headquarters of All-Japan Garrison Forces Labor Union [AJGFLU]. Base workers accounted for the majority of 500 participants in the symposium, and many of them voiced their opinions that in demanding the return of military bases, measures should be taken to ensure their employment or to guarantee their status after loss of employment.

The Japanese and U.S. Governments have made concrete moves toward realigning and reducing military bases with an accord reached on returning the Marine Corps Air Station Futenma facility. Under such circumstances, it is increasingly apparent that there is growing apprehension among base workers concerning their employment. The participants confirmed that the government would be asked to promote simultaneously the return of military bases, a program of land utilization after their return, and a plan to ensure employment for base workers.

Vice Governor Masanori Yoshimoto of the Okinawa Prefectural Government [OPG] was present at the symposium as a panelist. While pointing out that there is a possibility of creating jobs to replace those on-base jobs by developing the west coast, including Naha and Urasoe, Vice Governor Yoshimoto stated: "I would like to bring up one question: Will the Okinawan people be convinced that the reclaimed land in Urasoe city can be improved and developed for joint use with the U.S. military?" In this way, he indicated his positive position on the issue concerning the relocation of the Naha naval port to Urasoe city.

Moreover, Vice Governor Yoshimoto disclosed that a survey of opinions of 8,300 base workers will be conducted in Okinawa soon, and also that a consultative organ will be set up jointly with the AJGFLU to start a study of measures for dealing with the employment issue.

Meanwhile, concerning the OPG program aiming at attaining a complete return of military bases by 2015, Kosuke Uehara, deputy head of the Social Democratic Party [SDP], pointed out: "First comes the return of military bases. The point at issue is whether a mass movement should be launched to reject the security treaty first, and then demand withdrawal of all military bases, or despite discontent, demand should be made for a steady reduction and return of military bases. Deliberations should be held on this issue." Then, he added: "If such results as the return of the Futenma Air Station can be steadily achieved, the Okinawan economy will be able to break off its dependence on military bases." Thus, he called on the prefectural government

and the Okinawan people to flexibly deal with the conditions for relocation as stated in the interim report of the Japan-U.S. Special Action Committee [SACO] on Okinawa.

Acting as coordinator for the Symposium was Prof. Hiroshi Nakachi of the Ryukyu University. In addition to Vice Governor Yoshimoto and Dietman Uehara, those who attended the symposium as panelists were Keiichi Inamine, president of the Okinawa Prefectural Management Association; Masahiro Tokuji, chairman of the Okinawa Chapter of Rengo (the Japanese Trade Union Confederation); and Prof. Moritake Tomigawa of the Okinawa International University.

In his keynote speech, Seigen Yamauchi, chairman of AJGFLU's Okinawa Regional Headquarters, pointed out that about 800 workers are currently employed at 11 facilities, including the Futenma Air Station. An accord has already been reached at the SACO session on the return of these 11 facilities. In his appeal, Yamauchi stated: "If a program for returning military bases or a program for utilizing the land after its return should be promoted without any measures to ensure jobs for on-base workers, they will certainly come to share intensified apprehensions." He made six-point suggestions that included: emergency measures should be taken following an accord on the return of such military bases as Futenma Air Station; an employment program should be worked out; and a program for job training should be worked out to assist base-workers for shifting to other jobs.

Japan: Kajiyama Urges Studies To Prepare for Sea Emergencies

OW2705040496 Tokyo SANKEI SHIMBUN
in Japanese 22 May 96 Morning Edition p 3

[FBIS Translated Text] At a House of Councillors' cabinet committee meeting on 21 May, Chief Cabinet Secretary Seiroku Kajiyama indicated that the government needs to study ways of exercising the right of individual self-defense and what joint actions Japan and the United States can take based on the bilateral security pact if emergency situations emerge in the Far East or off the Japanese waters. He was replying to a question raised by Hiroshi Kikunami of the Japan Communist Party. Kajiyama stated: "If Japan is not allowed to exercise its self-defense right unless something enters its territorial waters, the government, in this age of modern arms, cannot defend the nation and protect the people's life and property. It is a matter of course for the government to study what Japan can do if some contingency occurs in the near seas (or off the Japanese territorial waters)."

NORTHEAST ASIA

Kajiyama continued: "When a hair-trigger situation arises, we have to act within the individual self-defense right, or Japan's security will be in jeopardy. The government should make necessary preparations, including legal preparations, for such a situation." In this way, he noted the need to promote studies on the exercise of the self-defense right in preparations for possible emergencies.

Japan: Defense Talks Make Far East 'Emergencies' Priority

OW3105053296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 May 96 Morning Edition p 2

[Article by Atsushi Ijuin: "The Review of Guidelines for Japan-U.S. Defense Cooperation — The Two Countries Agreed To 'Give Priority to Study on Bilateral Cooperation at Times of Emergency'"]

[FBIS Translated Text] Honolulu — The Japanese and U.S. Governments confirmed, at a working-level meeting in Hawaii on 28 May, an intention to give top priority to study on measures for emergencies in the Far East in reviewing "guidelines for Japan-U.S. defense cooperation." What is behind the confirmation is U.S. concern that "the DPRK (North Korea) is about to face a serious turning point," (as stated by a source at the U.S. Department of Defense [DoD]). Although the Japanese side expressed an eagerness to promote study on "peacetime" cooperation such as U.N. peacekeeping operations (PKO) and security dialogue, it can be said that the U.S. side forced through its stance of putting emphasis on cooperation for "emergencies."

Differences in Motives Between Japan and the United States

"What must be reinforced is measures for emergencies in the Far East." What became clear at the meeting on 28 May is that the United States has attached an importance to concrete measures for individual emergency cases, including one on the Korean peninsula.

As indicated by the recent case where a North Korean soldier in a fighter jet defected to South Korea, the North Korean situation has become more uncertain. There is a growing sense of concern among the DoD and other organizations that "it is not surprise to see the country's regime beginning to collapse at any time." For this reason, the proposal by the Japanese Defense Agency for incorporating "peacetime cooperation" such as PKO activities into the guidelines has been left over.

At the meeting, the two sides agreed to flesh out the phrase "facilitative assistance to be extended to the U.S. forces," which is stipulated in the existing guidelines. They then confirmed the following outline

of Japan-U.S. cooperation: "The U.S. forces conduct military activities and Japan provides logistic support." This outline gives it consideration that Japan "should not cause misunderstanding of Asian and other foreign countries (that Japan will become a military power)." However, even within this outline, Japan's logistic support, including supply of fuel and commodities as well as provision of facilities, is connected with the collective self-defense right. This is because, in some cases, it might be taken that Japan is united with the U.S. forces in exercising armed force.

Coordination May Be Prolonged

"There might be no choice but to take one or two years." At the 28 May working-level talks, both Japanese and U.S. officials maintained that work on reviewing the defense cooperation guidelines will unavoidably drag on for a certain period of time.

When it was agreed in April to review the guidelines, some maintained that the review would be completed by "this fall." However, Japan expects that coordination at home will take time. According to a source at the Ministry of Foreign Affairs, "it is unsure whether" a report to be submitted to the Japan-U.S. security consultative committee (two-plus-two talks) in September "can be called an interim report."

The U.S. side asserts that the fact that "something is happening (in the Japan-U.S. consultation) is important at any rate," (according to a source at the U.S. Department of State). Although the United States hopes to compile measures for emergencies at an early date, it has no intention of pushing Japan too hard so that the current trend of Japan-U.S. cooperation will not be obstructed.

Japan: SDP, Sakigake Approve SDF Ship Rescue of Japanese

OW2205152596 Tokyo KYODO in English 1315 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — In a major policy shift, the ruling coalition Social Democratic Party (SDP) basically agreed Wednesday [22 May] to allow the use of Maritime Self-Defense Force (MSDF) vessels to rescue Japanese nationals caught in overseas conflicts, party officials said. .

The agreement came at a meeting of officials in charge of security issues from the SDP and coalition partner New Party Sakigake, they said.

The SDP had taken a cautious stance on allowing the use of MSDF vessels in such circumstances.

The development is expected to provide an impetus to a revision of the Self-Defense Forces Law initiated by the Defense Agency with a view to paving the way for the dispatch of MSDF vessels to transport refugees and rescue Japanese nationals caught in overseas conflicts.

The revision would formally define these activities as SDF tasks, the officials said.

At present, government planes and Self-Defense Forces transport aircraft can be used to rescue Japanese nationals in the event of an emergency overseas.

The SDP and Sakigake form the tripartite ruling coalition together with Prime Minister Ryutaro Hashimoto's Liberal Democratic Party.

Japan: Tokyo To Set Up Task Forces To Study Emergency Plans

OW2305133196 Tokyo ASAHI SHIMBUN in Japanese 17 May 96 Morning Edition p 10

[FBIS Translated Text] At a meeting on the afternoon of 16 May, the government decided to study measures to deal with emergency situations that may emerge in the areas surrounding Japan.

Attending the meeting were officials from the Foreign Ministry, the Defense Agency, and other government offices. They agreed to set up four task forces comprised of division chiefs of concerned ministries and agencies as early as next week to separately promote studies on: 1) Protecting overseas Japanese; 2) accepting refugees from abroad; 3) guarding the nation's coasts and important facilities, and counterterrorism; and 4) supporting U.S. forces. These task forces will first study probable emergency cases, rather than examining emergency legislation. They will then discuss legally problematic points of the emergency measures they worked out, which should be permissible in view of the Constitution.

The government held the meeting at Prime Minister Ryutaro Hashimoto's request, made on 13 May. Those who attended the meeting included Deputy Chief Cabinet Secretary Teijiro Furukawa, Cabinet Security Affairs Office head Yasutomo Mitsui, and bureau chiefs from the Foreign Ministry, the Transport Ministry, the Defense Agency, and the National Policy Agency.

The task forces will first study necessary and essential measures in emergencies, leaving legal arguments till later. They will then examine whether or not the measures they worked out will be in line with the present government's view on the Constitution and the right of collective self-defense. If the revision of law or enacting new legislation is considered necessary to implement the measures, which should be within the

Constitution, the task forces will discuss the issue with the Cabinet Legislation Bureau.

The government has decided to first begin case studies of emergencies because of fear that, "if legal arguments come first, the discussion will be stuck over the interpretation of the collective self-defense right and other constitutional issues and the nation will not be well-prepared for possible contingencies," (according to a Liberal Democratic Party member, who once served as Defense Agency director general). In making that decision, the government also appears to have taken into consideration the Social Democratic Party, which is negative about studying emergency legislation.

The government has not set a deadline for completing the emergency studies to let the task forces examine all possible emergency situations that may emerge, not in specific countries and regions, but in the areas surrounding Japan.

Japan: Article Notes Need To Reconsider ODA to PRC

OW2805114896 Tokyo SAPPIO in Japanese 22 May 96 pp 20-23

[Article by Yoshihisa Komori: "Ominous Prediction by U.S. Major Think Tank: 'China to Become Military Superpower in Asia by 2025'"]

[FBIS Translated Text] *The PRC has reacted to Taiwan's late March presidential election with heavy-handed military threats like firing missiles. In response to this military hegemony orientation by the PRC, the United States has begun a thorough review of its policy toward the PRC for the 21st century. On the surface, U.S.-PRC relations appear to be being restored as U.S. Secretary of State Christopher has announced a policy to extend the PRC's most-favored-nation status. However, there is a growing recognition within the United States that so far, "U.S. policy toward the PRC has been too lenient. To stop the PRC's arms buildup, there is no other way but to take strong measures." Based on these changes in U.S. policy toward the PRC, Yoshihisa Komori, SANKEI SHIMBUN special editorial staff member in Washington, warns Japan, which continues to provide the PRC with a vast sum of money through Official Development Assistance (ODA).*

"Capitalists even try to sell their enemy the rope to hang them with." It was Lenin, the founder of communism, who made such an oracle-like remark. According to him, capitalists, in pursuit of profits, would even attempt to sell a dangerous instrument to someone who might eventually use it as a means to strangle them to death.

This cpiogram happens to remind us of Japan's current attitude toward the PRC. It gives more reality to the following scenario: Japan pours a large amount of economic aid into its neighboring major power year after year; when the country acquires enough strength after carrying out a great military buildup with the help of the aid, it will take hostile action against Japan.

Whether or not such a development will take place depends entirely on what sort of long-term strategic intentions the PRC has. As the United States attempts to read the PRC's strategic intentions, ominous prospects for Japan seem to emerge.

Here is the latest example. On 17 April, during President Clinton's visit to Japan, Doug Bereuter, chairman of the House International Relations Committee's Subcommittee on Asia and the Pacific, held a hearing on security in Northeast Asia. National Defense University Professor Patrick Cronin talked frankly about the PRC's strategic intentions at the hearing:

"Every high-ranking officer in the People's Liberation Army with whom I have often have made contact with refers to the PRC's military pre-eminence in the Asia region as its long-term strategic goal. According to them, Asia's military power will surpass that of the United States. For the short- and mid-term, the PRC seeks to strengthen its own economy."

By the way, Cronin is a well-known figure among experts on Japan-U.S. security relations. Under Joseph Nye, assistant secretary of defense [for international security affairs] (retired in late 1995), he has played a very important role in preparing the "East Asia Strategy Report," which could be regarded as "the" Asia security policy of the Clinton Administration.

Cronin's testimony unexpectedly serves as a significant warning to Japan as well because the PRC's strategic goal of "strengthening its economy in the short- and mid-term, and its aim at military pre-eminence in the long run" means that the PRC even regards the vast amount of economic aid from Japan as a means to establish itself as a military superpower.

In addition, the fact that even the military stresses the importance of economic development is noteworthy.

Aid From Japan Does Not Stop the PRC's Arms Buildup

As is generally known, Japan has been giving ODA to the PRC since 1979. Ultra-low-interest yen loans — which constitute the main part of the ODA — totaled 2.19 trillion yen from the first round of yen loans to the third, which ended in 1995. Japan has also already decided to extend 580 billion yen to the PRC for the first

three years of the fourth round of yen loans beginning in FY96.

The purpose of the aid — which will be used for building airports, power plants, subways, etc. — is "to promote the PRC's reform and liberalization policy, to facilitate democratization, and to bring the PRC into the international community," (according to the Japan Foreign Ministry's official explanation). It is also expected that the PRC's hard military line can be contained through leverage gained by providing economic aid.

However, Cronin's testimony signifies that such an expectation by the Japanese Government is completely meaningless, and its economic aid would instead, promote the PRC's hard military line.

There is another forecast scenario. It is a sort of simulation report that James Przystup, Asian Studies Center director of a major Washington think tank "The Heritage Foundation," drew up for internal information use.

Entitled "China and Asia in 2025," the report boldly predicts what kind of foreign policy the PRC will promote over the next 30 years, and to what extent its policy objectives will be achieved:

"In 2025, China will have the world's largest economic power and military supremacy in Asia, and will seek to manage hegemony and harmony at the same time like the United States has done in the Western hemisphere. With regard to the military, it will possess power projection capabilities (military capabilities to project a fleet of long-distance aircraft and aircraft carrier troops into a remote area at once), in addition to nuclear capabilities."

"U.S. Forces will withdraw from Asia after the reunification of Korea, and the PRC will be on the road to becoming a 'Chinese Empire.' Meanwhile, Japan will still be devoting all its energy to making automobiles, and its people will be enjoying watching baseball. Japan will try unarmed neutrality and omnidirectional diplomacy, but it will not work well. The PRC will have good control over Japan."

The report contains such an ominous forecast. In the process of the PRC becoming a military superpower by 2025, as described in the report, there is no indication of Japan's economic aid playing a role in preventing the PRC's move.

In this respect, the PRC's continuing campaign of military intimidation against Taiwan serves as a valuable guide. The fact that the PRC has continued to threaten President Li Teng-hui, who was sure to be reelected,

by conducting a major military exercise near Taiwan and by firing missiles prior to the 23 March presidential election, has unexpectedly proved that Japan's economic cooperation with the PRC is powerless on the military plane.

How Has U.S. Policy Toward the PRC Changed?

So Far, the Clinton administration has advocated a policy of "engagement" with the PRC. It was based on the following expectations: If exchanges and engagement with the PRC in a wide range of fields are promoted — instead of containing, encircling, or putting pressure on the PRC — then it would increase its participation in the global community, act in accordance with international rules, and promote democratic and open measures within the nation.

The United States has particularly been enthusiastic about a policy of economic engagement. The objectives of the policy are: If economic ties such as trade and investment are strengthened, the PRC will establish closer relations with democratically advanced nations, and will become a more responsible member of the international community. In particular, the promotion of economic interdependence with the outside world will lead to the PRC's cooperation in the field of politics and its softened attitude in the military sphere.

However, the PRC's actual speech and behavior has turned out to be far from the goals of this policy. From increased oppression within the country to the export of weapons of mass destruction to Pakistan and Iran and unfair trade practices, the PRC has continued to move in an opposite direction from observing the international rules. The climax was its major military exercises near Taiwan and the launching of missiles. This made it clear that the PRC's military trend cannot be stopped at all, no matter how close economic ties with the PRC become.

A 13 March commentary in "THE WALL STREET JOURNAL" discussed the situation in detail with the headline: "Dollar Diplomacy Fails To Persuade the PRC," and "despite upsurge in U.S.-China trade, when it comes to significant issues like Taiwan, the PRC carries out a military threat, ignoring the intentions of the United States." It also reported that the State Department has come to have serious doubts about the effects of economic trade in influencing the PRC's military and politics.

It is possible to say that such a pattern of the PRC's actions has proven that Japan's economic aid cannot be expected to have the effect of encouraging democracy in the PRC and controlling its hard military line.

Economic Involvement: Private-Based in the United States, "Tax"-Based in Japan

With regard to the policy of economic involvement with the PRC, there is a major difference between Japan and the United States. It is a fact that the U.S. Government has not given any economic aid to the PRC. Offering ODA to a communist country is prohibited under U.S. law. The idea behind it must be that there is no need for the government to extend aid to a dictatorship with the doctrine that capitalist nations will certainly become corrupted and will collapse in the future, and communism will dominate the world. Therefore, all the United States' economic involvement with the PRC is commercially-based trade and investment.

In contrast, Japan provides the PRC with a huge amount of funds from the government's budget — that is, taxpayers' money. Besides, the Japanese Government is now in a financial crisis, and it is required to keep its expenditures as low as possible. The amount of bonds issued to cover the budget deficit has exceeded 20 trillion yen — even in the original FY96 budget; and Japan's budget deficit as a percentage of its GDP is the top among advanced nations.

When such a financial crisis is taken into consideration, extending a huge ODA loan to a major power that would use economic growth as a means to attain military supremacy appears to be an abnormal thing to do. While capitalists ridiculed by Lenin "sell" the rope to their enemy, in Japan's case, it "gives" it.

The Japanese Foreign Ministry states four principles for ODA. It stipulates that when Japan's aid is used for military purposes or contributes to promoting an international dispute, or when a recipient's military spending or the production and export of arms of mass destruction is significant, the aid will be discontinued. It is evident that the PRC's recent military trend is a case that falls under the above rules. Besides, the PRC has dared to repeat the testing of nuclear arms — which are most hated by the Japanese people.

In response to the circumstances, there is already a voice within the United States calling for a halt to Japan's ODA to the PRC.

"Japan should realize that its huge economic aid will strengthen the PRC's infrastructure, eventually lead to the buildup of its national strength against other countries, and contribute to the buildup of its military. Since the policy of economic involvement with the PRC can be satisfactorily implemented in the private sector, Japan's ODA to the PRC has to be discontinued," James Shin, an Asia specialist at the "Council on Diplomatic Issues" in New York, says without hesitation.

"New Cold War" Between the United States and the PRC Starts At Last

In the background of Shin's view is the recognition that the PRC's actions in relation to Taiwan's presidential election has revealed its intentions to become a military superpower, and brought a sign of fundamental change to the picture of security in East Asia.

There is no doubt that over the last few years, the PRC has been building up its military at a unusually rapid pace. In the United States, there has been many opinions about why the PRC has devoted that much energy to its buildup of arms in a strategic environment where the threat of the Soviet Union no longer exists. However, the view that the PRC would use its military power for political purposes without hesitation has become dominant after its campaign of military intimidation against Taiwan in March. It is possible to say that the PRC has been building up its arms to achieve its political objectives.

After all, the PRC has a history of using military force relatively easily to achieve its designs on neighboring areas. There are numerous examples: Military control of Tibet from 1950 to 1951, intervention in the Korean war from 1950 to 1953, an attack on Taiwan's Quemoy and Matsu islands from 1954 to 1955 and in 1958, an attack on India in 1962, a battle with the Soviet Army at the border in 1969, the occupation of the Paracel Islands by repelling the South Vietnam Forces in 1974, a war with the SRV in 1979, an attack on India in 1986, an attack on the SRV Forces at the Spratly Islands in 1988, military intimidation near Taiwan in 1995, and... [ellipses as published]

With this many precedents, it is inevitable to regard the PRC as a nation that would use military power for its own ambitions.

In the United States, an opinion has become popular that the PRC's recent campaign of military intimidation against Taiwan confirms without a doubt the view — the PRC has a strong inclination to resolve an international dispute by force — that has been pointed out by many critics. [The PRC's threat against Taiwan] has also created a concern that military power that is strengthened above a certain level in the name of modernization might be easily used to promote political purposes.

There are even some experts who think the overwhelming victory of President Li Teng-hui might mean, to the United States, the beginning of a "new Cold War" with the PRC involving a military confrontation.

Considering that such a PRC cannot be dealt with only soft-line measures, Shin has come up with a policy of

"selective engagement with the PRC" in which military power as a deterrent is added to the current engagement policy. It is a policy option in which the United States — in cooperation with Japan, the ROK, and other Southeast Asian nations — will contain the PRC if it seeks military hegemony and violates international rules.

In any event, why does Japan keep offering huge amounts of ODA to the military-power-oriented PRC, whose inclination to use force to settle disputes has become clear? It seems the time has come to think seriously about stop giving it.

Japan: AIU To Protest Insurance Rate Revision to Ministry

*OW2905073296 Tokyo KYODO in English
0322 GMT 29 May 96*

[FBIS Transcribed Text] Tokyo, May 29 KYODO — AIU insurance Co., a Japanese subsidiary of the major U.S. nonlife insurer, has lodged a protest with the finance ministry against an insurance rate revision by an industry body, an MOF official said Wednesday [29 May].

AIU filed the protest Monday, saying that the grounds for the revision made May 15 in casualty insurance rates by the property and casualty insurance rating organization are unclear, the official said.

AIU maintains that problems with the current system of setting insurance rates should be surveyed before rates are revised, the official said.

This is the first time that a protest has been filed against the independent body since it was set up in 1948, the official said.

The ministry will hear views from both AIU and the organization and will order the latter to change the rates "if they are found to be irrational, inappropriate and discriminatory," he said.

The law stipulates that the rates set by the organization are to be adopted by its members, currently 26 domestic and 25 foreign nonlife insurers. Insurers are free to leave the organization and set their own rates, however.

The ministry official said he does not think AIU's protest is related to the U.S.-Japan insurance talks which resumed in Washington on Tuesday.

Japan: Industry Reaction 'Mixed' To Failed Insurance Talks

*OW3005125396 Tokyo KYODO in English
1239 GMT 30 May 96*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Reactions in the Japanese insurance industry were

mixed over the failure of Japan-U.S. insurance talks, although most welcomed Tokyo's decision Thursday [30 May] to allow life and nonlife insurers to handle "third-sector" products.

After the Japanese decision was reported, Josei Ito, chairman of the Life Insurance Association of Japan, said it is "quite regrettable" that the two countries were unable to solve the dispute.

But an executive at a major life insurance company said, on condition of anonymity, that the basic position of the Japanese insurance industry is that regardless of what the United States says, Japan should go ahead with its plan.

The plan is in line with the nation's new insurance law, which was established through lengthy discussions and finally brought into effect April 1, he said.

Some industry officials, on the other hand, remain cautious, saying that the business of Japanese insurers, particularly of major nonlife insurers operating in the U.S., may be hurt if Washington decides to slap sanctions on Japan in the financial sector.

Japan and the U.S. failed to strike a deal in their negotiations in Washington on Tuesday and Wednesday, with their interpretations of a 1994 bilateral accord on deregulation of the Japanese insurance market remaining far apart.

At the center of the dispute is the degree to which the subsidiaries of life and nonlife insurers are allowed to handle so-called third-sector products — insurance policies for sickness, accidents and nursing care.

The U.S. has proposed that the Japanese subsidiaries be allowed to handle third-sector products, in which foreign insurers have a competitive edge, after liberalization of the primary and nonlife market in Japan is confirmed during a monitoring period.

Japan: Kubo Says Insurance Talks To Continue

*OW3105041396 Tokyo KYODO in English
1208 GMT 31 May 96*

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Finance Minister Wataru Kubo said Friday [31 May] Japan and the United States will continue talks to settle their dispute in the insurance market.

It has become impossible for the two countries to reach an agreement by the June 1 target date, but this does not mean they have broken off insurance talks, Kubo said at a news conference.

Japan and the U.S. failed to strike a deal on the issue at talks in Washington on Tuesday and Wednesday.

Kubo said Eisuke Sakakibara, director general of his ministry's International Finance Bureau, and Ira Shapiro, senior counsel and negotiator in the Office of the U.S. Trade Representative, are expected to keep in contact with each other to seek an accord by late June.

At the center of the dispute is the scope of so-called "third-sector" types of insurance to be handled by Japanese life and nonlife insurance companies through subsidiaries.

Under Japan's new insurance law, which took effect April 1, life and nonlife insurers are allowed to enter into each other's area of business through their subsidiaries.

Major life and nonlife companies will officially decide whether they will set up subsidiaries at general shareholders' meetings and subsequent board meetings scheduled for late June to early July.

The third sector covers sickness, accident and nursing insurance products, areas where foreign companies are dominant.

Japan: Trade Minister Calls For Private-Sector Microchip Setup

*OW2405030596 Tokyo KYODO in English
0148 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — International Trade and Industry Minister Shunpei Tsukahara said Friday [24 May] that some kind of private-sector partnership arrangement is necessary to replace the soon-expiring Japan-U.S. semiconductor agreement.

"Something will be necessary" at the private-sector level when the bilateral accord expires July 31, he said at a news conference.

Tsukahara also said European semiconductor makers can join a Japan-U.S. private-sector arrangement if they can persuade their Japanese and U.S. counterparts.

But he stressed the governments should play no role in the new arrangement. "Basically, government involvement is unnecessary in the semiconductor sector" with or without the Europeans, he said.

The remark contrasts with a comment made by a U.S. Government official Wednesday that European microchip makers are welcome to join the partnership initiative of the Japanese and U.S. semiconductor industries if they agree to government involvement in it.

Japanese and U.S. semiconductor industry leaders are negotiating a new cooperative framework to break a Japan-U.S. deadlock over the expiring bilateral government-level microchip agreement.

But the industries are at odds over whether they still need government involvement in the sector. The U.S. side argues they do, while the Japanese say no such involvement is necessary.

The European Union (EU) is calling for allowing European makers to participate in any new agreement on Japan-U.S. semiconductor trade.

Meanwhile, Tsukahara repeated his call for the EU to lower its tariffs on microchip imports, saying they are "the biggest obstacle" to European makers joining the private-sector talks between Japanese and U.S. semiconductor manufacturers.

Japan: EECA Chairman Seeks Market Share Expansion During Visit

OW2805015496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 May 96 Morning Edition p 13

[Interview with Enrico Villa, chairman of the European Electronic Component Association, by Nozomu Kitashiro on NIHON KEIZAI SHIMBUN industrial department; place and date not given; first paragraph is introduction]

[FBIS Translated Text] While private-sector talks over the abolition of the Japan-U.S. Semiconductor Accord are deadlocked, the European Electronic Component Association (EECA) officially called on the Electronic Industries Association of Japan for a meeting, seeking an expansion of chances for European companies to enter Japanese market. This reporter interviewed EECA Chairman Enrico Villa, who came to Japan recently, and asked him about the contents and purpose of a proposal he made.

[Kitashiro] What did you talk about at the meeting between Japanese and European businessmen?

[Villa] I made a proposal, asking them what we should do to improve our chance to make inroads into Japanese markets. To be more concrete, I want a framework of cooperation to increase design-in activities (activities from the designing stage to participation in product development). I asked the Japanese users to clarify what areas European makers can participate in design-in activity.

I proposed an introduction of a system designed to monitor the number of design-in and other activities to verify progress.

[Kitashiro] Is governmental involvement needed?

[Villa] No. Investigation by experienced third-parties, including investigative firms, is sufficient. The important thing is mutual trust.

[Kitashiro] How was the response from the Japanese side?

[Villa] They said that they would study [my proposal]. We just suggested an idea. We will deal with the issue in a flexible manner while accepting ideas of the Japanese side.

[Kitashiro] Foreign semiconductor makers have already begun their design-in activities.

[Villa] This is a system established under the Japan-U.S. Semiconductor Accord. The United States is saying that the system is working for the benefit of overall foreign semiconductor makers. But the reality is that is an exclusive system. The European semiconductors count for nine percent of the world's market share. In Japan, however, our market share is one percent. We would like to gain a market share of the international level in Japan by promoting European design-in activity.

[Kitashiro] Do you agree with the United States that Japan is a closed market?

[Villa] We are only calling for a framework that is fair to each country. In this sense, we asked Japan to participate in the private-sector talks aimed at the expiration of the Japan-U.S. Semiconductor Accord; it will expire at the end of July. Japan is saying that Europe should remove its tariffs first. But we are showing the stance of removing them in stages. The EECA should join a new private-sector accord, if it is to be signed, and the EU (European Union) should be allowed to take part in the semiconductor accord if it is renewed.

Japan: MITI Head Hoping To Meet Oga Over U.S. Chip Deal

OW3105032796 Tokyo KYODO in English 0207 GMT 31 May 96

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Trade Minister Shunpei Tsukahara said Friday [31 May] he hopes to meet with semiconductor industry leader Norio Oga later in the day to confirm his stand about government involvement in a planned private-sector partnership with U.S. chip makers.

Oga, chairman of the Electronic Industries Association of Japan (EIAJ), told a press conference Thursday that the group will ask for such involvement "if it is really necessary."

Some Japanese press reports argued the remark indicates a deviation from the Japanese government and the microchip industry's stance that the government has no more role to play in the sector.

"Since different media are filing different reports (about what Oga said), I have to ask him about his real

intentions," International Trade and Industry Minister Shunpei Tsukahara said at a news conference.

Tsukahara said he wants to either meet Oga in person or talk with him on the telephone.

The EIAJ and the U.S. Semiconductor Industry Association are negotiating a partnership arrangement to replace the Japan-U.S. chip agreement that expires July 31.

Japan has rejected a U.S. call for renewing the 1991 bilateral pact because the foreign share of the Japanese semiconductor market stands well above the 20% targeted by Washington.

Tsukahara stressed that there has been no change in the government's position that the new private-sector arrangement needs no government involvement.

"After hearing from Oga, we will convey our official view" to the U.S. side through bureaucratic channels, Tsukahara said.

Japan: Chip Makers To Mainly Seek 'Private-Sector Accord'

*OW3105055396 Tokyo KYODO in English
1416 GMT 31 May 96*

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Semiconductor industry leader Norio Oga on Friday [31 May] backtracked from earlier remarks on government involvement in a planned bilateral partnership arrangement with U.S. microchip makers after hinting at accepting such involvement Thursday.

At a meeting with International Trade and Industry Minister Shunpei Tsukahara, Oga reiterated that Japanese chip makers will primarily seek a private-sector accord for industrial cooperation with their U.S. counterpart, a trade ministry official said.

Government involvement should be discussed after a private-sector agreement is reached, the official quoted Oga as saying.

Oga, chairman of the Electronic Industries Association of Japan (EIAJ), had told a news conference Thursday that there was no choice but to accept limited government involvement in the partnership accord, which should last for three years through 1999.

Some Japanese press reports took the remark as deviating from the Japanese Government and the industry's previous position that no further government involvement is necessary in the Japanese chip market after the July expiration of the Japan-U.S. microchip accord.

Tsukahara held the meeting with Oga to confirm the latter's statements from the previous day's news conference.

Oga told Tsukahara he had gotten sidetracked Thursday by reporters' pointed questions, the official said. Tsukahara asked Oga to continue negotiating with the U.S. chip makers, expressing hope for progress in the talks, he added.

The EIAJ and the U.S. Semiconductor Industry Association (SIA) are negotiating a private-sector partnership framework to break the impasse over a U.S. call to renew the Japan-U.S. microchip pact expiring July 31, which Japan flatly rejects.

Oga and SIA Chairman Pat Weber did not reach an agreement on the framework in their latest session in Hawaii last month largely because they were divided on the issue of whether they need their governments to be involved in the new arrangement.

The EIAJ is expected to submit a package of its partnership proposals to the SIA on Saturday. Oga seems to believe that from the paper, the U.S. side will accept his position on government involvement, the trade ministry official said.

Meanwhile, the Ministry of International Trade and Industry will convey views exchanged between Tsukahara and Oga to the U.S. government through working-level channels, the official noted.

Japan: Fuji Photo To Abolish Rebate System in U.S.

*OW2805033296 Tokyo KYODO in English
0251 GMT 28 May 96*

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Fuji Photo Film Co., the leading Japanese photographic film manufacturer, is planning to abolish its rebate system in the United States as early as this year, a company official said Tuesday [28 May].

"We are considering scrapping the system. It might no longer be in place next year," said the official.

He said the system is similar to the volume incentive program (VIP) implemented by U.S. rival Eastman Kodak Co.

Under the system, retailers are rebated about 4 percent of their wholesale purchases from the film makers when their sales exceed a certain target, he said.

"Kodak implemented the system in the early 1980s, and we were forced to take a similar measure about three years ago to try to stay competitive," the official said.

Fuji is considering scrapping its system because Kodak said earlier this year that it will end its VIP at the year-end, he said.

"With Kodak announcing that it will scrap the system, we saw no reason to continue it," the official said.

The move has nothing to do with Kodak's complaint over Fuji's alleged anticompetitive practices that block foreign exports to Japan, the official said.

"Kodak is complaining about the domestic market, while the step we're thinking about concerns only the U.S. market," he said, noting that a similar rebate system was abolished in Japan about five years ago.

Fuji will wait and see whether, after abolishing the VIP, Kodak will in effect continue rebates by lowering its wholesale prices, the official said. "We might consider doing the same," he said.

Kodak filed a petition with the Office of the U.S. Trade Representative in May last year charging that Fuji was hampering access to Japan, and the office launched a yearlong investigation two months later.

The U.S. Government will decide by July 2 whether to impose sanctions on Japan.

Japan: Fuji Debuts Kodak Claims in Report to USTR

*OW290507296 Tokyo KYODO in English
0428 GMT 29 May 96*

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Fuji Photo Film Co. said Wednesday [29 May] it has submitted to the office of the U.S. Trade Representative (USTR) a report rebutting claims by its U.S. rival Eastman Kodak Co. that it has prevented Kodak from underselling Fuji in Japan.

Kodak has complained that Fuji's instructions to wholesalers have made it difficult or impossible for Japanese retailers to discount film.

It has claimed that, even if it lowered wholesale prices, Fuji's instructions would have prevented retailers from passing on lower prices to consumers.

Fuji countered in its Tuesday submission to the USTR that "over half of" the documentation Kodak cited in accusing Fuji of ordering pricing collusion among retailers and wholesalers was too old to show "current anticompetitive conduct."

The report also argued that none of the documentation demonstrates "efforts by Fuji film to maintain color film or paper prices through pressure or coercion."

Kodak's claim that Fuji still controls four major wholesalers "has nothing to do with Fuji film's point," it said.

"Toleration of long-ago price fixing — even assuming it existed — is not actionable under section 301" of

the 1974 U.S. Trade Act, Fuji said, because the law "addresses only current unjustifiable...acts."

Japan: Automakers Cite Positive Role in U.S. Economy

*OW2305153696 Tokyo KYODO in English
1506 GMT 23 May 96*

[FBIS Transcribed Text] Washington, May 23 KYODO — Seven Japanese automakers published a report Thursday [23 May] highlighting their contributions in the United States through higher local investment, production and employment.

"Japanese automakers are helping energize the American economy and improving the competitiveness of the U.S. auto industry," the Japan Automobile Manufacturers Association (JAMA) said in a 12-page report.

The report said Japanese automakers produced 2.30 million vehicles at their U.S. plants in 1995, rising from 2.15 million vehicles in 1994 to post the 10th straight year of higher output.

In contrast, their exports from Japan to the U.S. came to 1.23 million vehicles, falling from the previous year's 1.64 million and only half the 3.43 million in 1986.

Their U.S. production operations exported 173,510 vehicles, excluding those to Canada, in 1995, declining from some 191,000 in 1994 but remaining high compared with some 121,000 vehicles in 1993.

These exports exceeded those by the "Big Three" U.S. automakers, and two Japanese manufacturers — Honda Motor Co. and Toyota Motor Corp. — were the top two exporters of U.S. passenger cars, the report said.

Japanese automakers employed some 40,310 people as of 1995 at their U.S. manufacturing and research and development operations, up from 37,695 in 1994 and 11,236 in 1987, and their employment reaches some 52,000 people when including sales and distribution operations, the report said.

It added some 6,578 U.S. dealers sell Japanese vehicles, and they employ some 297,234 people.

Cumulative Japanese investment in U.S. auto and auto parts manufacturing operations reached 12.46 billion dollars in 1995, the report said.

Purchase of U.S.-made auto parts by Japanese automakers totaled 19.86 billion dollars in fiscal 1994 that ended March 31, 1995, rising from the previous year's 15.54 billion dollars and jumping eightfold from 2.49 billion dollars in 1986, the report said.

Japan: MOFA Spokesman on International Situation

OW3105004196 (Internet) Japanese Ministry of Foreign Affairs WWW in English 28 May 96

[News conference by Hiroshi Hashimoto, spokesman of the Ministry of Foreign Affairs [MOFA], with unidentified reporters on 28 May; place not given; from the "What's New!" link]

[FBIS Translated Text] [Topics of Discussion] I. Ceasefire Agreement Between the Russian Federation and the Republic of Chechnya II. Hosting World Cup Soccer in 2002 III. Relations Between Japan and North Korea IV. World Cup Soccer and Japan-Republic of Korea Relations V. Possible Co-hosting of World Cup Soccer in 2002 VI. Relations Between Japan and Taiwan VII. Visit to Japan by Prince Saud of the Kingdom of Saudi Arabia VIII. Defense Agency Intelligence Reorganization IX. Possible U.S.-North Korea Comprehensive Talks X. Visit to the Islamic Republic of Iran by Deputy Foreign Minister Shunji Yanai XI. Democratization Efforts in the Union of Myanmar [Burma]

I. Ceasefire Agreement Between the Russian Federation and the Republic of Chechnya

Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon, ladies and gentlemen. The Government of Japan has repeatedly said that the strife in Chechnya should come to an end at the earliest possible moment, that the citizens' safety and human rights should be ensured, and that the Chechen issue should be resolved in a peaceful manner as soon as possible. The Government of Japan welcomes the achievement of the ceasefire agreement. We strongly hope that the agreement will be arrived out sincerely, giving impetus to the peace negotiation process a whole, and contributing significantly to a conclusive resolution of the Chechen issue. It seems that the legal status of the Republic of Chechnya was not discussed at the time of the agreement, and at his moment, there is no information available on the specific content of the talks or details of the agreement. We are simply waiting for the details to be published soon.

That is the announcement that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Hosting World Cup soccer in 2002

Q: It has been reported in the Japanese press that Japanese members of parliament who are working on bringing the World Cup games to Japan have decided that they do not want the World Cup if it is to be co-hosted with Korea. What is the Government of Japan's stand on this?

A: There is a lot of speculation on this issue. However, the position of the Government of Japan remains as it has been, meaning that now, according to the present rules and regulations of the Federation of International Football Association (FIFA), Japan and the Republic of Korea are competing. According to these rules, the Government of Japan has been supporting the Football Association of Japan. This attitude has not changed.

Q: So, the Government of Japan is not reviewing the possibility of co-hosting at all?

A: We know that on 31 May, President of the Union of European Football Association (UEFA) Lennart Johansson and other members of the FIFA Executive Council will raise the issue related to the co-hosting of world Cup soccer. We do not know what the outcome of this discussion ill be. So, we will simply wait to see what decisions will come out of the Executive Council. Only after that will we start consulting among ourselves. In any case, the Football Association of Japan should make a decision. The Government of Japan highly respects that the decision should be made by the Association, and we will fully respect its decision and will continue to support its ideas. But so far, we understand that the Football Association of Japan has not changed its attitude. They are still hoping to host World Cup soccer in Japan in 002.

III. Relations between Japan and North Korea

Q: Relating to yesterday's postponement or cancellation of a visit by North Korean delegation, there was some speculation in the Japanese press that since contact between political parties in North Korea and Japan has gone sour in that way, it will be easier for the Ministry of Foreign Affairs to work on a government level. Do you have any comments to make on this?

A: I think you should separate the two — one point is the diplomatic talks between Japan and North Korea, and the other is the talks between the parties. As far as the talks between the parties are concerned, especially this time, the Social Democratic Party of Japan (SDPJ) invited the North Korean delegation to come; however, both the Liberal Democratic Party (LDP) and the New Party Sakigake had some reservations. Therefore, we understand that there has not been a consensus among the three parties. As far as the talks on Japan-North Korea relations are concerned, we have already established diplomatic channels, and the Japanese coalition parties say that the Government should handle this matter. Therefore, the decision by the North Korean party not to visit Japan this time does not really affect the talks between the Government of Japan and North Korea.

IV. World Cup Soccer and Japan-Republic of Korea Relations

Q: South Korea, as you know, has taken a very nationalistic — in fact, anti-Japanese — stance in lobbying for the World Cup. How much concern has there been on the Government level here for the politicizing of this issue? Is there any concern that if Japan should in the bid, that it would negatively influence political relations between South Korea and Japan?

A: As far as the Japanese side is concerned, we do not want to politicize this at all. World Cup soccer is very important for sportsmen and the fans — politics should not be involved in this. whatever the outcome of the balloting is, we hope that both the Japanese and Korean peoples address this calmly. I hope, even if Japan wins the ballot, that it will not affect the friendly relationship between Japan and the Republic of Korea.

V. Possible Co-Hosting of World Cup Soccer in 2002

Q: When Prime Minister Ryutaro Hashimoto said on Friday [24 May] that he was not keen on the idea of co-hosting the World Cup — why not? Why is Japan not keen on the idea of co-hosting?

A: I think what Prime Minister Ryutaro Hashimoto said last week and what the other relevant government officials have said up to now was that, through the present rules, FIFA has been pursuing the possibility of asking Japan or the Republic of Korea to host the World Cup in 2002. This is the rule, and we would like to abide by it. If IFA changes the rule, then that is another story. However, we do not know whether the FIFA Executive Council will change the rule or not. In any case, there is no Japanese representative on the Executive council, so we will just have to wait and see whether the rule remains the same.

Q: But, the option is there, though? Japan would consider — come Friday afternoon — co-hosting, if it becomes possible?

A: This is a very hypothetical question. But, supposing FIFA revises the rules, and if the Football Association of Japan thinks that is the case and it goes ahead with this new idea, in that case, the government of Japan would have to examine what it would do. Up until now, the Government of Japan has been supporting the activities of the Football Association of Japan, in accordance with the Government understanding. So, we would have to think of whether we should revise the Government understanding.

VI. Relations Between Japan and Taiwan

Q: A few days ago, the Taiwanese Government asked for gaining diplomatic privileges for its representatives here in Japan. Otherwise, they would take away the privilege that have been given to Japanese diplomats in Taiwan. Any comment on that? And, if the negotiations between the two governments were to fall, how would that affect the Japan-Taiwan relationship?

A: First of all, pertaining to its office in Japan, we do not believe that Taiwan has been asking for diplomatic immunity or diplomatic privileges from Japan. This is one point. Secondly, there is an agreement between the Japanese and the Taiwanese organizations. Namely, according to the present law and regulations, both Japan and Taiwan have been cooperating with each other in providing assistance and conveniences for the activities of the staff of the relevant offices. And, the two organizations have been cooperating so far. But, those two organizations are not government organizations; they are private organizations. Therefore, I will say again that this is not categorized as diplomatic privilege. The Government of Japan has been extending facilitations to the staff of Taiwanese organizations, in accordance with the relevant Japanese internal regulations.

VII. Visit to Japan by Prince Saud of the Kingdom of Saudi Arabia

Q: Today, the Foreign Minister of Saudi Arabia arrived in Japan for an official visit, and he will have a meeting with Foreign Minister Ikeda. Tomorrow, he will have a meeting with Prime Minister Hashimoto. Could you tell us what they will discuss, and what kinds of topics they will address?

A: Prince Saud's visit to Japan is extremely important for us. Last September, then-Prime Minister Tomiichi Murayama visited the Kingdom of Saudi Arabia and, at that time, both countries agreed to continue political dialogue at the highest level. In this sense, we welcome the prince's visit to Japan. Secondly, Saudi Arabia is a very important player in maintaining peace and stability in the Middle East region, and the Japanese side wants to exchange views and information on the peace process. Thirdly, when then-Prime Minister Murayama visited Saudi Arabia last year, the Government of Japan was requested by the government of Saudi Arabia to encourage Japanese direct investment. The Government of Japan cannot be directly involved in this. However, the Prince's visit itself will give a positive impression to Japanese potential investors. I am sure the two sides will have exchanges on his subject. Fourthly, it is extremely important for us to exchange people, especially young people, between the two countries. Unfortunately, Saudi

Arabia is still relatively unknown in Japan. We would like to encourage and invite more of the young Saudi Arabian people to come to Japan and to mix with Japanese people, so that Japanese and Saudi Arabian people can learn more from each other. That is basically what the two sides are interested in, and I am sure that this time, those subjects will be touched upon.

Q: Yesterday, it was reported that King Fahd of Saudi Arabia will leave the Kingdom to stay in Spain for a long time — forever. Does the Japanese Foreign Minister have some information regarding the political situations surrounding this?

A: I cannot answer directly to the question you have raised. I do not know whether that kind of subject will be touched on in the ministerial meeting. Basically, we try to understand the domestic situations of Saudi Arabia through our embassy staff and through exchanging information with friendly countries.

Q: So, how does the Japanese Government view the stability in Saudi Arabia?

A: We have not perceived any immediate unstable factors in Saudi Arabia, and we are very glad that the Prince has eventually managed to come to Japan.

VIII. Defense Agency Intelligence Reorganization

Q: Regarding the Diet's recent decision to approve the establishment of the new Intelligence Headquarters — a rather enlarged intelligence headquarters — would you bring us up-to-date on what its functions and areas of interest will be and how it will be staffed?

A: I do not intend to offend you at all, but I read your article on his subject. When I read your article, I was personally rather surprised by some expressions in the article. But, before that, I would like to explain the nature of the revision to the law on the establishment of the Japan Defense Agency. The Japan Defense Agency (JDA) has been conducting research and analysis activities under the law on the establishment of the JDA. The National Diet has recently approved a revision to the law, in order to upgrade the ability of research and analysis of the Defense Agency. The central point of the revision is that the units which separately engaged in research and analysis at the internal unit of the Defense Agency, the Joint Chief of Staff, the Ground, the Maritime and the Air Self-Defense Forces separately — have been integrated into one, under the Joint Chief of Staff. It is now called the Intelligence Headquarters. The staff which used to work at the units which I mentioned have also been integrated into the Intelligence Headquarters. Therefore, the whole number of staff in Japan's defense forces has not changed. The objective of the research and analysis in intelligence has

not changed. What we have done is integrate those units, so their intelligence activities can be more effective. While I refrain from making any sort of negative comments on your article, I would just like to explain the following points, in order not to leave a misunderstanding between you and the Ministry of Foreign Affairs. When you use the word "spies," we are rather shocked, because when we say spies, those people deal with counterintelligence and so forth. According to the present Japanese laws and regulations, we are forbidden from doing this. The other point is, in your article you say that Japan is recruiting 2,000 personnel. Probably, "recruiting" is not the correct word, because the number of personnel at the Defense Agency has not changed. Thirdly, this is probably a matter of English language expressions — I do not know if there is a difference between "spy" satellites and "reconnaissance" satellites, but in any case, "spy" is not the right word. If you talk about reconnaissance satellites, the Government of Japan has no concrete plans to obtain these satellites so far. However, the relevant ministries, notably the Japan Defense Agency and the Ministry of Foreign Affairs, are closely following this question with keen interest. In any case, what I would like to stress here is that the Government of Japan does not intend to establish some new intelligence headquarters which used to exist in the past, before the Second World War. What we have been doing is just upgrading the research and analysis activities of the Defense Agency.

Q: What then is the purpose of upgrading Japan's intelligence organization? Secondly, what will the source be of the information this organization will research? The Diet record speaks of electronic listening bases — what are they exactly, and what are they listening to?

A: On your first question, as I said, the internal unit of the Japan Defense Agency, the Joint Chief of Staff and the three Self-Defense Forces, separately had their own unit for research and analysis. Up until now, unfortunately, every now and then, there was a lack of cooperation among the units, and this was not effective enough. Therefore, this time, the Japan Defense Agency decided to integrate those units into one unit under the Joint Chief of Staff. We hope that this time, the Intelligence Headquarters can really engage in effective research and analytical work. Secondly, Japan's Defense Agency Intelligence Headquarters is composed of several divisions. It is composed of the Directorate for Administration, the Directorate for Planning, the Directorate for Assessment, the Directorate for Imagery, and the Directorate for Sigint. There are SIG sites, and probably, you are interested in the Directorate for Sigint, and/or SIG sites, and the use of electronic devices. They are monitoring the electronic airwaves in Japanese

territorial airspace. They are doing their best to collect necessary information for Japan's security.

Q: Is the monitoring confined to within Japan's territorial air zone, and if it is, how was it that this same agency had the good luck to overhear a conversation between the Soviet Air Force at the time it was shooting down a Korean aircraft?

A: I am not sure whether or not their activities are confined to Japanese airspace. But, in any case, they are collecting information - I am talking about the SIG sites — all sorts of information coming to or passing through Japanese airspace. But, this does not mean that his information originated in Japanese air space. They are just catching information inside Japanese territory — information that may enter into Japanese territory from various parts of the globe.

IX. Possible U.S.-North Korea Comprehensive Talks

Q: The YOMIURI SHIMBUN this morning carried a story out of New York that the United States and North Korea agreed to upgrade their ongoing different talks on individual issues into a comprehensive forum starting in June. Have you heard of this, and what is the official view of the Government of Japan?

A: We have read the article, and the Government of Japan has not obtained information on this. What we know is that the United States and the North Korean authorities have been conducting various talks. One is under the framework agreement between the two countries, and they have been consulting with each other on the establishment of a liaison office. The other one is related to missiles. The third one is related to the remains of casualties from the Korean war. Formally, we have not heard about comprehensive talks between the two countries.

X. Visit to the Islamic Republic of Iran by Deputy Foreign Minister Shunji Yanai

Q: Deputy Foreign Minister Shunji Yanai just came back from Iran. I would like to know what the goal of his mission to Iran was?

A: Deputy Minister for Foreign Affairs Shunji Yanai recently conducted the fourth deputy-minister-level consultation between Japan and the Islamic Republic of Iran. This time, the consultation took place in Teheran. Deputy Foreign Minister Yanai and his counterpart exchanged views on the bilateral relationship and the international relationship. On the Middle East peace process, the Iranian side stated that Iran would not physically obstruct the process, but that the Government of Iran does not support the peace process itself. Deputy Foreign Minister Yanai tried to persuade his counterpart to

say more, specifically, about this statement of not physically obstructing the peace process. However, the Iranian side did not say anything further on this. They talked about the recent conflict between Hezbollah militia and the State of Israel. Deputy Foreign Minister Yanai said that there is speculation that Iran has been assisting the activities of the Hezbollah militia and he asked the Government of Iran to use its political influence in a constructive way. The Iranian side said that the problem originates from Israeli occupation in the Republic of Lebanon, and that the Lebanese side has a legitimate right to fight against this. They talked about international terrorism, too, and the Iranian side said that we should distinguish international terrorism from the people's liberation movement. At the same time, Deputy Foreign Minister Yanai's counterpart said that the Government of Iran does not support international terrorism. Deputy Foreign Minister Yanai specifically raised the Republic of Afghanistan issue, which has been neglected internationally. Both Japan and Iran agreed to exchange further views on this issue, so that the conflicting parties may establish rapprochement. They talked about the bilateral relationship, too. The Iranian side talked a little bit about the K-4 hydroelectric dam project, but they did not talk long on this subject. That is about all.

Q: So, what is the basic Japanese policy toward Iran?

A: The Government of Japan, unlike the United States, thinks to isolate Iran is not the right policy for us. Although we do not call this a critical dialogue, we maintain a political dialogue at a high level, and convey our concerns on international terrorism and other things to Iran, and endeavor to request the Iranian side to play a constructive role. This is our basic policy toward Iran.

XI. Democratization Efforts in the Union of Myanmar [Burma]

Q: I would like to know the Japanese Government's position on political democracy in Myanmar.

A: Very recently, Minister for Foreign Affairs Yukihiko Ikeda met Minister of Foreign Affairs U Ohn Gyaw of the Union of Myanmar and talked about the recent situation concerning the National League for Democracy's (NLD) activities and the actions taken by the State Law and Order Restoration Council (SLORC). The Government of Japan has been maintaining dialogue with SLORC. At the same time, the Government of Japan has been maintaining dialogue with Chairman of the National League for Democracy Aung San Suu Kyi and her colleagues, too. Through his dialogue, we have been asking the two parties to show self-restraint and to establish direct contact between the two parties. This is one point. The other point is that Foreign Minister Ikeda said to Foreign Affairs Minister U Ohn Gyaw

that the Japanese side sincerely wishes SLORC would release the detained people as soon as possible. Still, the detained people have not been released by SLORC. I believe that the NLD party conference is now already over, and NLD Chairman Aung San Suu Kyi is probably now conducting a press conference. We will have to wait to find out what she will say at the press conference. In any case, the Government of Japan wants SLORC and the NLD to try to overcome the difficulties and present tensions, and or both sides to step forward to realize the democratization of Myanmar. In talking with Foreign Minister Ikeda, Foreign Affairs Minister U Ohn Gyaw said that we should understand the traditions, culture, and history of Myanmar, and at the same time, we should understand the level of democracy in Myanmar. Foreign Minister Ikeda replied that the Japanese people understand this, but that it does not mean that the Japanese side agrees with the detention of NLD representatives by SLORC. The Government of Japan sincerely hopes that LORC will release the detained people as soon as possible, and those who belong to the NLD can enjoy more freedom of political activities in Myanmar the future. Thank you very much.

Japan, DPRK Favor Government-Level Talks on Normalization

OW2405054196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 May 96 Morning Edition p 2

[By political reporter Takeshi Haruhara]

[FBIS Translated Text] A subtle change has emerged in the behind-the-scenes moves toward negotiations on normalizing diplomatic relations between Japan and North Korea. This is because the talks have begun to shift from the conventional inter-political party framework to a inter-government framework. In North Korea, the prevailing mood is that the Ministry of Foreign Affairs [MFA] is now taking the initiative in the negotiations in place of the Workers' Party of Korea [WPK], which had previously been in charge of negotiations. Amid the severe economic conditions, there are signs of "power struggle" among the WPK, the military leadership, and the government.

"Although the military leadership and the WPK were opposed to the diplomatic method of the MFA, the issue has been left to the MFA following Secretary Kim Chong-il's decision to 'let the MFA handle the issue in its own way.'" North Korean government sources recently explained the domestic situation concerning the Japan-DPRK negotiations to reporters who visited North Korea at the invitation of the MFA. Probably reflecting this situation, First Vice Minister Kang Sok-chu of the MFA, in an interview with Japanese reporters in Pyongyang on 21 May, stated clearly that "the

organization directly in charge of the resumption of Japan-DPRK negotiations and improvement of relations between the two countries is the MFA."

So far, there have been two major turning points in the Japan-DPRK negotiations. One was the three-party declaration of September 1990, involving former Deputy Prime Minister Shin Kanemaru and others, which mentioned "postwar compensation." The other was the four-party agreement of March 1995, participated in by former Deputy Prime Minister Michio Watanabe and his delegation. In both cases, the WPK used such organizations as the Asia-Pacific Peace Committee [APPC] to call the shots. The DPRK government and MFA played only supportive roles.

However, the MFA has obviously become very active recently. One example of this is that through the Disarmament and Peace Institute [DPI] directly under the ministry, the MFA has begun to promote active exchanges, such as an exchange of visits with the Japan Institute of International Affairs, an auxiliary organization of the Japanese Ministry of Foreign Affairs [MOFA]. The fact that Yi Chol-chin, chief of MFA's Japan Division, who contacted MOFA officials in Beijing, is concurrently a division chief at the DPI illustrates the "shift of emphasis to Japan-DPRK relations."

A similar trend can also be observed on the Japanese side. The Social Democratic Party is inviting Yi Chong-hyok, vice chairman of APPC, and other DPRK officials to visit Japan from 27 May. Prime Minister Ryutaro Hashimoto expressed his misgivings about this, saying: "The ROK is sensitive about this." While opinions are divided in the ruling parties on diplomacy with the DPRK, the Liberal Democratic Party [LDP], based on its experience with party diplomacy on two occasions in the past, have come up with a policy of shifting emphasis to inter-government negotiations. LDP Policy Research Council chief Taku Yamasaki said: "From now on, negotiations will be done through official diplomatic channels."

Japan: Hashimoto Concerned Over Alleged DPRK Intrusion in ROK

OW2405030996 Hong Kong AFP in English 0246 GMT 24 May 96

[FBIS Transcribed Text] Tokyo, May 24 (AFP) — Japan's Prime Minister Ryutaro Hashimoto on Friday expressed concern about the reported intrusion of five North Korean patrol boats into South Korean waters Thursday.

"I am concerned about the intrusion," Hashimoto told reporters. "We have to keep an eye on the issue."

He made the remarks a day after five North Korean patrol boats reportedly crossed the maritime demarcation line into South Korean waters.

Asked about the defection to the South of a North Korean pilot also on Thursday, Hashimoto said such defections happened from time to time. "It is a South Korean issue, not a Japanese issue," he said.

North Korean Air Force Captain Yi Chol-su flew his aging MiG 19 jet fighter to South Korea on Thursday, the first such defection in 13 years.

Japan: Hashimoto Denies Higher Tension in Korean Peninsula

*OW2405052696 Tokyo KYODO in English
0405 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Prime Minister Ryutaro Hashimoto said Friday [24 May] he does not think Thursday's defection of a North Korean pilot to South Korea increased military tension on the Korean peninsula.

Hashimoto said he is more concerned about the reported intrusion Thursday by North Korean patrol boats into South Korean waters.

"We have been observing the overall situation on the Korean peninsula carefully," he said.

The prime minister was speaking at a joint meeting of four committees of the House of Representatives.

Hashimoto earlier told reporters at his official residence that defections happened from time to time and "I feel more concerned about the intrusion by patrol boats."

North Korean Capt. Yi Chol-su flew his MiG-19 fighter to South Korea on Thursday, in the first defection of a pilot in 13 years.

Japan: MOFA Views Ramifications of DPRK Defection

OW2505144196 Tokyo TOKYO SHIMBUN in Japanese 24 May 96 Morning Edition p 3

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] notes the possibility that the tension on the Korean peninsula may intensify following the 23 May incident in which a DPRK (North Korea) Air Force captain in a MiG-19 fighter defected to South Korea. MOFA is keeping a vigilant watch on North Korea's moves.

MOFA has seriously taken the fact that the number of North Korean defectors to South Korea has been rapidly increasing since 1994, reaching about 40 people both in 1994 and 1995, and that defections have increased even in the elite class personnel such as military officers

and diplomats. Many MOFA officials consider that the latest defection by MiG jet fighter, which is an unusual incident, indicates discipline has relaxed within the North Korean military organization.

In view of similar incidents in the past, it is expected that the North Korean side may demand the return of the Air Force captain defector and the jet fighter itself, or it may ignore the incident by keeping silent.

Some do not think that the defection incident has brought only negative effects because there is a possibility that South-North dialogue may be held over possible demands by North Korea. However, if North Korea demands the return of the defector and the jet fighter, South Korea is certain to reject it. The situation on the Korean peninsula will likely become tense even if it is temporary.

MOFA believes that such a state of tension will indirectly affect whether North Korea accepts the four-party talks proposed by both the United States and South Korea. Although North Korea has not yet clarified whether it will accept or decline the proposed quadrilateral talks, some quarters within the MOFA believe that country will indicate its intention to accept the proposal around 10 June.

However, because of the tension on the Korean peninsula following the latest defection, there is a growing belief within MOFA that, even if North Korea accepts the four-way talks sooner or later, it will most likely take a certain period of time. Given this situation, it is expected that moves toward resuming talks on the normalization of Japan-DPRK diplomatic relations will inevitably be suspended.

Japan: Ikeda: North Korean Sought Asylum Via Beijing Embassy

*OW3005112996 Tokyo KYODO in English
1116 GMT 30 May 96*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Foreign Minister Yukihiko Ikeda acknowledged Thursday [30 May] that a North Korean scientist has defected via the Japanese embassy in Beijing.

Speaking at a session of the House of Representatives Foreign Affairs Committee, Ikeda said the North Korean is staying "in an area outside Japan, China, South and North Korea."

Saying the scientist visited the embassy May 7 to express his hope for political asylum in South Korea, Ikeda said Tokyo helped him contact the South Korean Government.

Earlier Thursday, he said merely that no North Korean scientist had sought asylum in Japan, a comment that did not confirm or deny the North Korean scientist's reported defection.

The foreign minister explained that Japan has not stated the truth of the matter out of consideration for the defector's safety and diplomatic relations with countries concerned.

In Seoul, a senior South Korean Foreign Ministry official said two North Koreans, one of them a scientist, have asked for political asylum in South Korea.

Japan: Paper Reports on Defector's Methods, Whereabouts

*OW3005150496 Tokyo KYODO in English
1440 GMT 30 May 96*

[FBIS Transcribed Text] The Japanese Embassy in Beijing referred a North Korean scientist seeking asylum to a South Korean to help him defect, a South Korean newspaper reported in its early Friday edition.

The CHUNGANG ILBO in a dispatch from Hong Kong said Chung Kap Ryul, 44, reportedly chief of North Korea's Sound Equipment Institute, visited the Japanese Embassy on May 7 to seek political asylum.

Chung, who was born in Takatsuki, Osaka Prefecture, in 1951 and who went to North Korea with his family in 1959, had earlier that day gone to the South Korean Embassy but found it closed, the paper said.

An official of the Japanese Embassy allowed him to enter the building after Chung said in fluent Japanese that he had lost his passport, the daily said.

When Chung revealed that he is a North Korean national and wanted to defect to Japan, the embassy official tried to get him to leave the embassy, telling him to return the following day.

But Chung was allowed to stay until the following day after he implored the embassy official to refer him to a South Korean, saying "I will be a goner tomorrow."

The embassy referred Chung the following day to a South Korean who helped him go to Hong Kong via Shanghai, where he immediately went to the South Korean diplomatic mission to defect, according to the paper.

On Thursday in Tokyo, Japanese Foreign Minister Yukihiko Ikeda acknowledged that a North Korean scientist had defected via the Japanese Embassy in Beijing.

Saying the scientist visited the embassy May 7 to express him hope for political asylum in South Korea,

Ikeda said Tokyo helped him contact the South Korean government.

In Seoul, a senior South Korean Foreign Ministry official said two North Koreans, one of them a scientist, have asked for political asylum.

Earlier in the day, South Korean news reports said a North Korean scientist and television scriptwriter are en route to South Korea after seeking asylum in Beijing early this month.

Japan: Kajiyama on DPRK Rice Aid: 'Difficult at the Moment'

*OW2705034896 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 23 May 96 Morning Edition p 2*

[FBIS Translated Text] Koken Nosaka, deputy head of the Social Democratic Party [SDP] (and chairman of SDP's committee on Japan-DPRK relations) called on Chief Cabinet secretary Seiroku Kajiyama at the prime minister's official residence on 22 May to make a report on the visit to Japan on 27 May by a delegation from the DPRK (North Korea) at the SDP's invitation.

While Mr. Nosaka indicated that the issue of providing rice aid to North Korea will be brought up for discussion during the delegation's visit in Japan, Chief Cabinet Secretary Kajiyama stated that "it would be difficult at the moment." Kajiyama explained the government's position and said that the precondition lies in holding the quadrilateral consultations among North Korea, the United States, South Korea, and China.

Japan: Hashimoto Asks SDP Not To Discuss Aid With DPRK Mission

*OW2405084296 Tokyo KYODO in English
0715 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Prime Minister Ryutaro Hashimoto urged the ruling coalition member Social Democratic Party (SDP) on Friday [24 May] not to discuss Japan's additional rice aid to North Korea with a Pyongyang delegation visiting Tokyo next Monday, party members said.

The SDP's policy-making panel chief, Shigeru Ito, however, asked Hashimoto, president of the dominant coalition partner Liberal Democratic Party (LDP), to discuss the matter with the United States and South Korea, saying such aid to the country, which is facing a food shortage, is a humanitarian issue, they said.

The SDP has invited the mission from Pyongyang's Ruling Workers Party of Korea with a view to paving the way for resumption of stalled normalization talks between Japan and North Korea.

The LDP and another ruling alliance member, New Party Sakigake, have ruled out meeting the delegation unless a proposed four-way meeting takes place among North and South Korea, China and the U.S. to promote peace on the Korean peninsula.

Hashimoto met policy panel chiefs of the three ruling parties over lunch to discuss key pending policy issues.

Japan: WPK Secretary Sends Rice Aid Request to SDP

OW2505122596 Tokyo YOMIURI SHIMBUN in Japanese 25 May 96 Morning Edition p 2

[FBIS Translated Text] It was revealed on 24 May that Kim Yong-sun, secretary of the DPRK Workers' Party of Korea [WPK], sent a letter to the Social Democratic Party asking for "rice aid" to this communist state. Regarding the WPK delegation's Japan visit scheduled for 27 May, Kim said in his letter that he "expects positive results in the resumption of the Japan-DPRK normalization talks and humanitarian issues."

Japan: SDP Chairman Murayama Supports Rice Aid to DPRK

SK2605020096 Seoul YONHAP in English 0146 GMT 26 May 96

[FBIS Transcribed Text] Tokyo, May 26 (YONHAP) — Tomiichi Murayama, chairman of the Japanese Social Democratic Party (SDP), said on Saturday that Japan needs to consider rice aid to North Korea from the humanitarian point of view.

The former premier said in a press conference in Mito city that if the North Korean delegation, which is scheduled to arrive here on Monday, asks Japan for additional rice aid, then he plans to make efforts for the government's rice aid.

North Korea's Workers' Party will send 4-member delegation to Japan on Monday at the invitation of the SDP.

Japan: Official Comments on Leadership Role at G-7 Summit

OW3005104596 Tokyo KYODO in English 0907 GMT 30 May 96

[FBIS Transcribed Text] Tokyo, May 30 KYODO — The June 27-29 summit of the Group of Seven (G-7) industrialized countries in Lyons, France, will focus on economic development in developing nations and regional issues of global concern, a senior Japanese official said Thursday [30 May].

The official, who asked to remain anonymous, said Japan wished to exert its leadership in the development

field with its proposal of channeling money saved from the streamlining of international organizations to assistance for developing nations.

Other economic topics to be discussed at the annual gathering include macroeconomic policies on employment and the state of the world economy, as well as global trade and international finance, the official said.

The summit of the G-7, which groups Britain, Canada, France, Germany, Italy, Japan and the United States, will open in Lyons, eastern France, on the evening of June 27.

After debate on the economic issues, an economic declaration is due to be released in the afternoon the following day to show how the G-7 nations are going to tackle economic problems facing the world.

Later in the day, the G-7 leaders will move on to discussion of political matters along with Russian President Boris Yeltsin.

The political debate will cover situations in the Middle East, the former Yugoslavia and Africa, the official said.

Russia may be thrust into the spotlight at the summit depending on the outcome of Russia's June 16 presidential election, according to the official.

The poll is seen as a close race between Yeltsin and Gennady Zyuganov, chairman of the central committee of the Communist Party.

Other political subjects will include the reform of the United Nations and other major international organizations, disarmament and the environment, the official said.

The summit will wrap up June 29 after issuance of a chairman's statement on political issues.

Apart from the summit process the G-7 and Russian leaders will meet with the heads of the U.N., the International Monetary Fund, the World Bank and the World Trade Organization, the official said.

Japan: Government Warns Indonesia Against National Car Policy

OW2705004796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 May 96 Morning Edition p 13

[by Kazuki Kagaya]

[FBIS Translated Text] Jakarta — Japanese automakers in Indonesia have been reacting strongly against speculation that the country's first designated national automaker may virtually sell cars that are imported as a finished car, at a bargain price by taking advantage

of preferential treatment in tariffs and taxes. It is believed that the Indonesian automaker would take this desperate measure because it cannot begin selling national cars in September as scheduled due to the delay in paying wages at its plant. The Japanese Government has strongly warned that it would file a complaint with the World Trade Organization (WTO) if those imported cars would be exempted from taxation.

According to a source concerned, the national automaker Timor Putra National [TPN] is planning a semi-knocked-down (SKD) system, in which it will import finished cars after only tires or other parts are removed, and later assemble them at home. The automaker is said planning to import approximately 65,000 units from its partner Kia Motors of South Korea by April 1997.

The TPN is the only national auto maker in Indonesia, which was set up in 1996 jointly by President Suharto's third son and Kia Motors. The TPN has made no announcement on the possibility of the SKD import. It is also reported in the country that the TPN has shifted its plan from the SKD import to finished car imports.

The Japanese Government held the first round of working-level talks with the Indonesian Government on the latter's national car policy in Jakarta in late April. In the talks, the Japanese side emphatically said: "If Indonesia forces through measures such as the SKD import, Japan will not hesitate to bring the case before the WTO."

The issue will inevitably be brought up in the second round of talks to be held in Tokyo after next week.

Under the national auto plan, 100 percent locally-owned automakers that effort to raise the rate of local parts used in their vehicles will be exempted from taxation, including import duties for auto parts. The Japanese Government has demanded the review of the plan, claiming the national auto plan violates WTO rules on the national treatment principle and other cases.

The TPN is scheduled to begin sales of national cars in September at about half the price of popular models on the market. It plans to take a lease of plants from major automakers, including Indomobile [name as transliterated].

Japan: Aung San Suu Kyi Opposes 'Resumption of Yen Loans'

OW2705022096 Tokyo KYODO in English
0126 GMT 27 May 96

[FBIS Transcribed Text] Yangon, May 27 KYODO — Pro-democracy leader Aung San Suu Kyi, saying Japan could play a key role in Myanmar's [Burma's] democratization, expressed opposition Sunday [26 May]

to resumption of yen loans at the request of the ruling military junta.

Suu Kyi said in an interview with KYODO news that the junta, the state law and order restoration council, is under pressure from the United States and other countries but appears ready to listen, although reluctantly, to what Japan has to say about the state of affairs in Myanmar.

"Japan is one of Burma's (Myanmar's) aid countries. And that is why it is important," Suu Kyi, leader of the National League for Democracy (NLD), said in the interview.

Japan was ahead of the U.S. and other countries in resuming aid to Myanmar in the wake of Suu Kyi's release from house arrest in July last year. Japan since then has given Myanmar 1.6 billion yen in grants-in-aid for a nurse-training project.

Referring to a proposed 20 billion yen loan for expansion of Yangon airport, Suu Kyi said she wants the Japanese Government to wait and see how far the junta will permit the democracy movement in her country to go.

She met with Japanese Ambassador Yoichi Yamaguchi on May 17 and 20 just before the latest mass arrests of NLD members elected in the 1990 elections and of other activists, and NLD sources said she asked the envoy to convey to the junta some of the requests of Myanmar's democracy movement.

Suu Kyi said in the interview that she has a policy of not talking about her meetings with ambassadors.

The Japanese Government's top spokesman, Seiroku Kajiyama, said last Thursday that Japan does not plan to review its aid to Myanmar despite the crackdown.

Kajiyama, chief cabinet secretary, said, "Japan's economic aid to Myanmar centers on areas of basic livelihood directly helpful to public welfare."

Kajiyama said, however, that Japan is urging Myanmar's junta to make a "moderate response" to the pro-democracy movement through diplomatic channels.

Japan suspended Official Development Assistance (ODA) to Myanmar after a military coup in 1988 and has limited its aid to what it calls small-scale humanitarian aid.

Japan's ODA guidelines call for taking into account such factors as a recipient nation's democratization efforts and level of military spending.

Japan: Tokyo, Moscow To Hold Fishing Talks 4-5 Jun

*OW2805100196 Tokyo KYODO in English
0907 GMT 28 May 96*

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Japan and Russia will hold a sixth round of talks in Moscow next week on ways to secure the safety of Japanese fishing vessels operating in disputed waters near four Russian-held islands, the Foreign Ministry announced Tuesday [28 May].

The session, scheduled for June 4-5, will follow five rounds of unsuccessful negotiations since March last year.

The bilateral talks started after a series of incidents in which Russian patrol boats fired at Japanese fishing vessels in waters near the four islands.

Japan and Russia are discussing ways to secure the safety of Japanese fishing boats without violating the two nations' respective positions on the islands, which are claimed by Japan.

Russia contends that some form of pact is needed to stop what it calls poaching in its waters, while Japan objects to paying fishing fees for fear it could be interpreted as an implicit recognition of Russian sovereignty over the contested islands.

Japan: Fishery Production Drops for 7th Straight Year in 1995

*OW2905113496 Tokyo KYODO in English
1134 GMT 29 May 96*

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Japan's total fishery production in 1995 decreased for the seventh consecutive year to around 7.47 million tons, down 8 percent from the previous year, the agriculture, forestry and fisheries ministry said Wednesday [29 May].

Ministry officials said the sluggish result is due to large drops in sardine and mackerel fishing production by 43 percent to 683,000 tons and 22 percent to 491,000 tons respectively.

Sardine production peaked in 1988 at 4.49 million tons but has been declining since then, they said.

Japan: Hashimoto Discusses Comfort Women Issue

*OW2805083096 Tokyo KYODO in English
0801 GMT 28 May 96*

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Prime Minister Ryutaro Hashimoto said Tuesday [28 May] an apology he will make to women who were wartime sex slaves for the Japanese Imperial Army

should express remorse, but should not open the gates for compensation suits against the state.

Hashimoto told reporters in the Diet building that the letter of apology should "express remorse because the greatest possible indignity was committed against the women."

"At the same time, I must make sure the content of the letter does not lead to individual suits being lodged."

A copy of the apology is to be given to each former "comfort woman" together with lump-sum payments by a special government-led private fund known as the Asian Women's Fund.

The fund, launched last July with the goal of collecting 1 billion yen in donations from the Japanese public by the end of March 1996, has so far garnered only about 340 million yen.

Many former comfort women and organizations supporting them say the government should abandon its attempts to get the private sector to donate to the fund and instead have payments made on behalf of the state.

Historians say some 100,000 to 200,000 Asian women, mainly from the Korean peninsula then under Japanese colonial rule, were forced into sexual slavery at military brothels for the Japanese Imperial Army.

Japan: Home Ministry Starts Nationality Guideline Review

*OW2805123296 Tokyo KYODO in English
1138 GMT 28 May 96*

[FBIS Transcribed Text] Tokyo, May 28 KYODO — The Home Affairs Ministry has started drafting guidelines to show what public posts should need the nationality requirement, ministry officials said Tuesday [28 May].

The officials said they will try to issue measures concerning nationality requirements to newly recruit local government officials.

The ministry may be able to compile the guidelines by the end of this fiscal year on March 31, the officials said, adding that if requested by local governments, the ministry will advise local authorities on what posts can be held by non-Japanese residents.

Earlier this month, the Kawasaki Municipal Government decided to scrap the nationality requirement for civil service test takers, thus opening up municipal jobs for non-Japanese residents.

At that time, the ministry decided to conduct a review of the requirement out of concern that other local authorities could also abolish the provision.

The ministry claimed that public servants involved in wielding administrative authority must be Japanese nationals.

The Kawasaki Government has had frequent contact with the ministry since February, exchanging views on the ministry's claim, and concluded that only 182 of 3,500 types of jobs for municipal employees involve the use of administrative authority.

The Kochi Prefectural Government is among others that have started to study the possibility of scrapping the nationality requirement.

Japan: LDP Unwilling To Accept DPRK Delegation Visit 27 May

*OW2605235496 Tokyo ASAHI SHIMBUN
in Japanese 23 May 96 Morning Edition p 2*

[FBIS Translated Text] The Liberal Democratic Party [LDP] and the Social Democratic Party [SDP] are in discord over the issue of accepting a delegation from the DPRK (North Korea), which will come to Japan on 27 May at the invitation of the latter. The SDP wants to show its originality by fulfilling a certain role in improving Japan-DPRK relations by using its ties with the WPK [Worker's Party of Korea], which the party has been maintaining since the time when it was called socialist party, as a springboard. Meanwhile, the LDP and other parties — which are assuming, in line with the Hashimoto administration's diplomatic policies, the stand of making sure that the four-way talks proposed by top officials of the United States and the ROK will be held — feel uncomfortable about the SDP's "hasty act."

Improvement of relationship with North Korea, with whom Japan has no diplomatic ties, was one of a few areas where the former socialist party could conduct "opposition party diplomacy" instead of the government. "Settlement of issues caused by the colonial policies of the past" is another area where the SDP has been working hard and can demonstrate its capability.

In his lecture speech made on 22 May, Shigeru Ito, chairman of the LDP Policy Affairs Council, said that negotiations for normalization of ties with the DPRK should be held "between the governments in principle." At the same time, he pointed out: "It is a negative view to refuse a meeting with North Korea until they accept the four-way talks. It is a duty of a friend to hold a meeting and say whatever we have to say." In this way, he explained his wish that the LDP would welcome the North Korean delegation led by Yi Chong-hyok, vice chairman of the Korean Asia-Pacific Peace Committee.

Nevertheless, both LDP and New Party Sakigake are remaining cool, saying: "Our condition is for North Korea to attend the four-way talks." The ROK strongly opposed negotiations, which LDP Secretary General Koichi Kato and others promoted last year, over the issue of rice supply to North Korea. Because of this, the LDP is not willing to unfold LDP-led diplomacy with North Korea.

Japan: Sakigake's Hatoyama on New Party Issue

*OW2805004896 (Internet) Shima Media Network
WWW in English 20 May 96*

[*"Hajime Takano's Interview Series No.2; Interview with Hatoyama Yukio"; from on-line weekly magazine TOKYO KALEIDOSCOPE No.851*]

[FBIS Transcribed Text] Yukio Hatoyama, the secretary general of coalition partner New Party Sakigake, is attracting much of the public's attention among those on Japan's present political scene. He has publicly announced his intention to create a new liberal party, that will be centered on the generation born after the war, before the general election.

Working with him is Funada Hajime, a young and active leader of the anti-Ozawa Ichiro (President) faction within opposition party Shinshinto. Also working with Hatoyama (born in 1947) and Funada (born in 1953) is Hatoyama Kunio(born in 1948), Yukio's brother and a member of the anti-Ozawa faction, and Health Minister Kan Naoto (born in 1946), who quickly became popular as he fought against the bureaucratic system within the Ministry of Health and Welfare following the AIDS-tainted drug scandal.

If a new party centered around Hatoyama and young lawmakers who belong to local political groupings spun off from the Social Democratic Party — the same generation as U.S. President Bill Clinton and Vice President Al Gore — emphasizing themes such as the environment, human rights, peace, and welfare is created, it will generate a great wave of new ideas and may break the political blockade created by the conflict between the Liberal Democratic Party and Shinshinto.

After graduating from the University of Tokyo, Faculty of Engineering, Hatoyama received a doctorate at Stanford University in the United States.

After returning to Japan, he became an assistant professor at the university, but in 1986 he entered politics by running as a Liberal Democratic Party candidate in the electoral district in Muroran City, Hokkaido. He helped form Sakigake after leaving the LDP in 1993 and was assigned Deputy Chief Cabinet Secretary in the Hosokawa.

Q: You described the ideology of the new party by saying, "Liberal means fraternity." What did you mean by that?

A: Fraternity is a word which my grandfather, Hatoyama Ichiro (former Prime Minister) often used. In the last analysis, modern history is a story about choosing between freedom and equality. If there is too much freedom, equality will be lost, but if there is too much equality, freedom will be lost. A bridge connecting freedom and equality, which coexist with difficulty, is fraternity. The fraternal spirit is to recognize and tolerate differences with others. This leads to the concept of symbiosis. My goal is to realize a fraternal society that is positioned in the middle of the law of the jungle and unfair equality.

Q: So we can say "fraternity," in modern words, means "symbiosis," is that it?

A: For example, there are currently living in Japan 1.35 million foreigners, including 680,000 Koreans. This is only 1% of the total population. The extremely low ratio of foreigners compared with other countries says that Japan is a difficult country for foreigners to live in. Based on my experience of studying in the United States, I believe the United States is basically an open society and that is why foreigners tend to have favorable opinions of that country. In the case of Japan, generally speaking, students from Asian countries return to their homelands with a dislike of Japan. Japanese minds are not open to foreigners.

Sakigake works to secure the right of foreigners settled in Japan to participate in local elections. I think we should seriously consider moving even further to grant them suffrage in elections for the national administration. It is only natural that administration and politics should be managed by the various people who live in a given area. Japan must be a place of symbiosis for every one.

Q: I think that symbiosis must be established not only between people but also between people and nature.

A: That's right. In this world, not only humans, but also other living things such as animals and plants and non-living things such as water, air and minerals exist. It is impudent to advocate the preservation of the natural environment, grouping everything, other than humans, into one undifferentiated mass.

First of all, we have to respect nature and appreciate that we owe our lives to nature. The balance of nature has been upset ever since humans were captivated by materialistic desires and tried to refashion the environment for their own convenience. If the final destination of this irreversible process of endlessly expanding and

swelling is death, the best wisdom is to incorporate an ecologically reversible process into economic and social life.

Domestically, the introduction of an environmental tax should be reviewed for the purpose of enlightening the Japanese people. Internationally, it is inevitable that the North must work together to solve the South's environmental issues more quickly than the speed that the Southern countries try to reach economic levels equal to that of the North.

Q: So do you mean that we are not in an era that is simply a pursuit of economic growth?

A: The emphasis on economic growth after the war may have destroyed Japanese aesthetic ethics that were respected throughout our history. The dumping of all values that are not included in the economic rationality causes Japan's unhappiness of today. The Diet has already lost its function as a place for debate and retains only an outward shape. It lacks the aesthetic ethics that is debate and is the basis of parliamentary democracy. Not only is politics aesthetically bankrupt but the situation is the same in education, which places too much emphasis on the accumulation of materialistic knowledge; the bureaucratic system, which only thinks of escaping its responsibilities, and the financial world, which only seeks money-making at abnormal levels.

Q: Former Prime Minister Murayama Tomiichi, the leader of the SDP, and former Finance Minister Take-mura Masayoshi, your boss and representative of Sakigake, tried to organize a new political power by the unification of both parties, but they seemed to have failed. Do you think the party you are looking for cannot be created by existing parties and politicians?

A: About three years ago we started the New Party Sakigake, making Mr. Takemura our representative, and participated in the Hosokawa administration. Although not exactly what we intended, during this coalition era when we occupied a corner of the ruling party, it is true our flag of reformation, which was our original aim, lost its brightness.

I am not afraid that the existence of our party is denied. A political party is a means to engage in the themes of an era and does not exist forever. Rather than that, I fear that the existence of politicians is being denied. To summarize this three year period, what politicians should do to recover trust from the people does not reside in a particular policy nor hang on the existing framework; but it is essential for them to act with courage based on their beliefs as politicians. When it is asked that each politician act by giving up their self-preservation, it is meaningless to think about political

reorganization through the merger of parties. It is funny that a person who cries out for the establishment of individuality is restricted in his actions by a large organization.

Q: Then what kind party are you going to make?

A: With individual liberty and responsibility, each one of us makes decisions and cooperates exceeding the framework of existing factions. And if "liberal" is understood as respect of individual dignity, it should be called the "Liberal Union."

Naturally, this is not a political party existing in a hierarchical form. The human body is connected organically, and just as it is meaningless to ask which is more important, the brain or the heart, party members will link-up horizontally, not through upper-lower ranks. The party will be like a network in which each member plays a role. Currently, people who are disappointed with the existing political situation try to create a means for their own political participation by forming local parties in various areas. We will cooperate with them by signing a certain political contract.

In order to utilize this kind of multi-layer and plural network structures and determine our political policies, it is inevitable for us to have a think tank to advocate policies. As a measure to absorb various opinions, it will be interesting to utilize the electronic network.

Q: There are senior politicians who still have power in every party, and people who only think of self-preservation. They think that, by only depending on a large organization, they can win the election. Under these circumstances, is it really possible to create what you call the party of the "love generation"?

A: Of course, each one of us has their reasons, and I know it is not easy. However, I believe that politicians and many citizens in our generation who already play a central role in society equally think that "This country is not good if this situation continues." There is an increasing number of people who break down the wall of artificially created benefits from existing rights, such as the national interest, the benefits of ministries and companies, and notice the importance of the dual message of citizens' benefits and the Earth's interest, and try to take their own actions. This said, I do not know when the general election will be held, but before that I am sure courageous politicians will stand up and show the public a new option which has not existed before. (5/20/96)

Japan: LDP's Obuchi on Coalition Government, Ties With Ozawa

OW2805065896 Tokyo TOKYO SHIMBUN in Japanese 22 May 96 Morning Edition p 2

[Interview with Keizo Obuchi, former vice president of the Liberal Democratic Party, by Yutaka Tabata; place and date not given]

[FBIS Translated Text] [Tabata] What is your assessment of the Hashimoto administration?

[Obuchi] Since 1989, this nation has had eight prime ministers. So, the public, in a sense, hopes for the emergence of a full-fledged government. The outcome of the recent Japan-U.S. summit has led the people to say: "Mr. Hashimoto is doing fine as expected." I am glad that he has gained high approval ratings in recent polls. I hope he will continue efforts to make his administration a full-fledged government without being excited about the high approval ratings.

[Tabata] What should be done to this end?

[Obuchi] It is important to maintain the firm triangle of the prime minister, Chief Cabinet Secretary Seiroku Kajiyama, and Liberal Democratic Party [LDP] Secretary General Koichi Kato. I think it is my duty to support this triangle. As long as this triad is firm, the foundation of the present coalition government will not become shaky. I think (former Prime Minister Noboru) Takeshita is also watching over them.

[Tabata] The question of summoning LDP Secretary General Kato as a Diet witness has become a focal issue in the political circles.

[Obuchi] He will make his position clear in some way to play a greater role in national politics in the future. It is improper to stop politics until he complies with the summons.

[Tabata] Some people claim that the coalition government comprised of the LDP, the Social Democratic Party [SDP], and New Party Sakigake has reached its limit.

[Obuchi] At present, they can together take the reins of government. Some LDP members expect that a government ruled solely by the LDP will be formed. But you should rate highly the coalition partners' efforts to make things better by stimulating each other, though I have to admit that they are not unanimous in some policies. Because we are in a position to support the prime minister and maintain the present government, we support the alliance between the LDP, the SDP, and Sakigake.

[Tabata] Do you think the reorganization of the political circles is necessary?

[Obuchi] We have established the electoral system of single-seat constituencies combined with proportional representation to let politicians, not "bureaucrats," take the leadership and to give any party a chance to hold the majority in the Diet. Whether or not political realignment will occur depends on the results of the next general election, in which candidates will compete by presenting their vision for the 21st century. In short, there will be no political reorganization unless a general election is held. At present, it is impossible that political reorganization will occur just for the struggle over political power.

[Tabata] When will the House of Representatives be dissolved for a general election?

[Obuchi] My opinion is that the government should compile a budget plan for next fiscal year by incorporating Prime Minister Hashimoto's clear ideas in it and hold a general election next January to seek the mandate of the nation. I gave the prime minister this advice.

[Tabata] There is speculation concerning a possible "alliance between conservative forces [in the key ruling and opposition parties]."

[Obuchi] The question is what the conservative-conservative alliance is. Some say that it is the one to be formed by gathering members of the former Takeshita faction. They are wrong. All Takeshita faction members, including me, together overcame various difficulties in order to make Mr. Takeshita prime minister. Because of this, we have the feeling that we shared hardships. We cannot snarl at and confront each other all the time. But because we have chosen different political courses, we should not join hands for no purpose.

[Tabata] How do you evaluate New Frontier Party head Ichiro Ozawa?

[Obuchi] Because Ozawa and I were members (of the former Takeshita faction), our opinions are very alike. But my political style is different from his. Figuratively speaking, he is a straight ball pitcher and I am a pitcher who throws a soft ball into a corner.

[Tabata] Is there a possibility that you and Mr. Ozawa will join hands in the future?

[Obuchi] I need to modestly discuss with every politician what Japan should be like in the international community and other issues. It is good if we reach an agreement. If we do not, we will simply take different courses. Anyway, there is no possibility at this point that Ozawa and I will form a government together.

Japan: SDP Deputy Head Hints at Coalition Reconsideration

OW2405020896 Tokyo MAINICHI SHIMBUN in Japanese 23 May 96 Morning Edition p 2

[FBIS Translated Text] Shigeru Ito, deputy head and chairman of the Social Democratic Party Policy Research Council, gave a speech in Tokyo on 22 May. In his speech, Ito touched on such issues as how the public nursing insurance bill should be handled; how the guidelines for Japan-U.S. defense cooperation should be reviewed; and how the legislation for emergencies should be enacted. Then, he stressed: "Perhaps, we will face a considerably difficult situation in September or October. We will be questioned as to for how long in the future and in what form the combination can be continued." Thus, he indicated that depending on future conflicts in views within the ruling parties, there is a possibility that the framework of the coalition will have to be reconsidered.

Japan: Editorial on Hashimoto's Administrative Reform 'Vision'

OW2805043496 Tokyo MAINICHI SHIMBUN in Japanese 27 May 96 Morning Edition p 5

[Editorial: "The 'Hashimoto Vision': Show Us the Concrete Steps for Administrative Reform"]

[FBIS Translated Text] By order of Prime Minister Ryutaro Hashimoto, the Liberal Democratic Party [LDP] Administrative Reform Promotion Headquarters is in the process of producing a "Hashimoto Administrative Reform Vision."

According to the draft, the basic direction of the "vision" is to "establish an administrative system to cope with the age of mega-competition." It asserts that in order to solve the problems facing Japan, such as the aging of the demographic structure, a smaller number of children, massive fiscal deficits, and the aftereffects of the bubble economy, the administrative system and administrative management methods need to be reformed.

We have no objection to such a perception. What the recent scandals involving Ministry of Finance bureaucrats, the liquidation of the housing loan companies (jusen), the AIDS contamination issue, and the other problems have illustrated is the fact that the political and administrative systems have grown out of proportion, and system fatigue has taken place.

Moreover, Japan's national finances are the worst among the advanced nations. The consumption tax rate is scheduled to be increased in a year. If the government is asking the people to bear a heavier burden, it is inevitable that it should also undertake radical

administrative and fiscal reforms, such as downsizing the administration itself. It is also the government's responsibility to profess a target for this.

Yet even a closer look at this "Hashimoto vision" offers no hint as to what concrete reforms are to be implemented and when they are supposed to be accomplished. It gives the impression of all theory and no specifics.

A good example is the top issue of reorganizing and downsizing the central government ministries and agencies.

The "vision" calls for reorganizing the existing 20 ministries and agencies into seven ministries dealing with "foreign relations," "domestic order," "finance and economics," "national livelihood," "national land," "industry," and "culture and education." As to the period of implementation, it merely states that this will occur in conjunction with the program to relocate the Diet and other functions of the capital.

However, relocation of the capital's functions is not expected to be completed until 2010, and it is even unclear whether it will take place at all. If the reorganizing and downsizing of the government have to be linked with this, then we are talking about the distant future. Something like this will only make the people doubt whether Prime Minister Hashimoto is really serious about the program.

The same is true of the review of the special public corporations.

The "vision" says that special public corporations set up for temporary reasons or for limited purposes will be reorganized and consolidated under the so-called "sunset" gradual phase-out method. However, it does not go into the question of which corporations will be reorganized and consolidated and when it will be done.

For sure, the "vision" is commendable on many counts. It calls for reviewing the national administration from a clean slate. It also proposes the following: reconsidering the investment recipients in the 10-year public investment program; establishing a system for decentralization of power and information disclosure; and radically reviewing the national civil service recruitment system. Nevertheless, it still needs much polishing.

Henceforth, what the prime minister needs to do is to identify items where immediate action can be taken and reforms to be dealt with in the mid- and long-term. He has to present in simple terms the concrete steps for resolute implementation of reforms, or an action program.

When it comes to the specifics, resistance from the "zoku-giin" [Diet members who lobby for specific interest groups] and the bureaucrats can be expected. This may also cause an upheaval in the coalition government. That is when the prime minister's leadership will be tested — the prime minister used to be a strong supporter of administrative reforms during the time of the "Doko Rincho" [Ad Hoc Council for the Promotion of Administrative Reform, chaired by the late Toshio Doko, a prominent business leader], and is said to have his own ideas about reform. The "vision" should absolutely not be allowed to become an excuse to increase the people's tax burden or an election campaign slogan.

Japan: Official Shows 'Reservations' About Amending BOJ Law

OW2305151796 Tokyo KYODO in English
1011 GMT 23 May 96

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Vice Finance Minister Tadashi Ogawa showed reservations about a revision of the Bank of Japan (BOJ) law on Thursday [23 May], a day after Finance Minister Wataru Kubo indicated a positive stance on the idea.

"Given the diverse array of views (on the issue), one has to be extra careful" in considering the revision, Ogawa said at a press conference.

Kubo said Wednesday it is necessary to "closely consider the relationship between the government and the BOJ."

Ogawa, however, repeated the finance ministry's traditional stance that there is no problem with the functioning of the law.

The 1942 legislation empowers the ministry to have a wide range of authority over the central bank, which critics say is less independent than its U.S. and European counterparts.

The law, for instance, gives the cabinet the right to dismiss the president and executives of the central bank as well as the right to appoint them.

Japan: 'Sources' Say BOJ Making Guidelines on Revising BOJ Law

OW2305151896 Tokyo KYODO in English
1353 GMT 23 May 96

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The Bank of Japan (BOJ) has mapped out a guideline for a proposed revision of the Bank of Japan [BOJ] law, calling for its more independence from the government, central bank sources said Thursday [23 May].

The guideline calls for a deletion of the cabinet's right to dismiss the governor and the senior deputy governor of the BOJ in order to enhance the central bank's independence, the sources said.

It also proposes that members of the policy board, the central bank's policy-setting body, be selected from among experts in economic and financial fields and more transparency be ensured in its policy decisions, they said.

The central bank will establish a special team to work on proposals for revising the law and will begin discussing the issue with the ruling coalition parties, they said.

The BOJ thinks it important to increase its independence as it regards the law, drawn up in 1942 during World War II, as giving the government too much authority over the bank and preventing it from setting independent monetary policies, the sources said.

The central bank wants a revised law to give it as much independence as its U.S. and European counterparts, they said.

Japan: Ex-Finance Official To Quit From 'Jusen' Fiasco

*OW2405043696 Tokyo KYODO in English
0314 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — A former Finance Ministry official will quit a public finance corporation as a result of the bad loan mess at failed "jusen" housing-loan companies, Finance Minister Wataru Kubo said Friday [24 May].

Kubo told a press conference that Masaaki Tsuchida, former director general of the ministry's Banking Bureau, will resign as vice governor of People's Finance Corp. On June 10, one year before his four-year term of office expires.

"Tsuchida has decided to take the step apparently in the course of considering recent developments in the housing loan fiasco, including his testimony before the Diet on the issue," Kubo said.

It has yet to be decided who will replace Tsuchida as vice governor of the public finance company.

In March 1990, Tsuchida delivered a ministry notification to financial institutions to curb lending to the real estate sector in a bid to stop a sharp increase in land prices.

The notification, however, did not cover loans made by the "jusen" firms and the mortgage companies continued to expand lending to the real estate sector, as their founder banks were squeezing them out of the home mortgage business.

If the "jusen" companies had been closely monitored under the notification, they would have not been saddled with huge problem loans, analysts said.

The failed housing loan companies are to be liquidated with the help of money from the national coffer under a government scheme, and this has drawn strong criticism from taxpayers.

Several banking industry leaders have left key posts in connection with the housing loan fiasco, reportedly after coming under political pressure. They include Toru Hashimoto, who stepped down from the post of president at Fuji Bank.

Among former Finance Ministry officials, Nobuyuki Teramura, another former head of the ministry's Banking Bureau, left the post of special adviser at the Federation of Bankers Associations of Japan in December last year in connection with the housing loan fiasco.

Japan: Kubo Ready To Meet Bank Leaders on 'Jusen' Burden

*OW3105032896 Tokyo KYODO in English
0211 GMT 31 May 96*

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Finance Minister Wataru Kubo on Friday [31 May] reiterated that he is ready to hold talks with the banking industry to request additional contributions for a scheme to liquidate failed "jusen" housing loan companies.

"If necessary, I will meet banking industry leaders," Kubo said at a news conference.

At present, however, the government is not presenting any specific proposals for more contributions for the liquidation scheme, he said.

Kubo also said not only banks, which are founders or creditors of the housing loan companies, but agricultural financial institutions, the biggest creditor group to the mortgage loan companies, should also contribute more to the scheme.

The government scheme calls on the founder banks and creditor institutions to share losses stemming from the liquidation of the mortgage loan firms.

Under the scheme, however, part of the losses will be covered by using taxpayers' money.

Amid strong public criticism, the government is seeking additional contributions from the financial circle to offset the tax money.

Japan: Finance Minister Supports Merger of Credit Associations

*OW2405073996 Tokyo KYODO in English
0637 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Finance Minister Wataru Kubo on Friday [24 May] expressed his support for merger of credit associations known as shinkin banks from the perspective of strengthening the management foundation of the industry.

Kubo made the remark in a speech addressed at an annual meeting in Tokyo under the sponsorship of the National Association of Shinkin Banks.

In the speech read by Vice Finance Minister Tadashi Ogawa on behalf of the minister, Kubo said, "mergers are one of the effective ways to drastically reform management and revitalize business."

Kubo's remarks were apparently in response to several merger plans announced earlier this year. There are at least three such merger plans in Tokyo, Aomori and Hiroshima Prefectures.

Kubo said the finance ministry has submitted a bill to the current Diet session in a bid to improve the inspection system at the shinkin banks.

The shinkin banks are urged to quickly write off bad loans, strengthen capital, and improve risk management systems themselves, Kubo added.

Bank of Japan Governor Yasuo Matsushita, who also gave a speech at the meeting, indicated that the priority of the central bank's financial policy is to ensure the current economic recovery.

"The recovery has remained mild," he said, adding that Japan needs to strengthen the recovery's momentum to make it a full-fledged one.

Matsushita stressed the importance of swift restoration of credibility in the Japanese financial system. While taking necessary measures, he said, "financial institutions should improve disclosure systems to gain trust from depositors and financial market participants."

Japan: Finance Official Explains Remarks on Interest Rates

*OW2405120796 Tokyo KYODO in English
1124 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Eisuke Sakakibara, director general of the Finance Ministry's International Finance Bureau, said Friday [24 May] his recent remarks on interest rates are not intended to move markets.

His remark May 15 that traders are mistaken in believing interest rates will be headed up caused both long- and short-term interest rates to plummet.

In a speech, Sakakibara said he has no intention of moving markets but will not hesitate to speak up whenever traders incorrectly interpret interest rate movements.

He said Japan's current account surplus will shrink further than expected in fiscal 1996 as the yen's weak trend will continue.

He ruled out the possibility of a slump in stock and bond markets in Japan and the United States in the near future.

Japan: Finance Ministry: Bad Bank Loans Drop in FY95 2d Half

*OW2405124296 Tokyo KYODO in English
1103 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — The outstanding balance of bad loans dropped steadily at Japan's financial institutions in the second half of fiscal 1995, reflecting their active write-offs of such loans backed by improved earnings positions, the Finance Ministry said Friday [24 May].

The combined amount of bad loans at all Japanese financial institutions stood at an estimated 34.68 trillion yen at the end of March, down 8.9 percent from the Sept. 30 end of the first fiscal half, the ministry said.

Bad loans comprise loans to bankrupt borrowers, lending with interest payments in arrears for at least six months and "restructured" loans in which interest payments have been reduced or suspended.

The bad loan balance came to 12,418 billion yen at the 11 "city" commercial banks, 3,433 billion yen at the three long-term credit banks, and 6,017 billion yen at the seven trust banks.

The balance was given as 4,115 billion yen at regional banks, 2,409 billion yen at second-tier regional banks, 3,191 billion yen at "shinkin" banks and 2,056 billion yen at credit unions, the ministry said.

The balance of the banks' irrecoverable loans also dropped substantially, from 18,587 billion yen to 8,319 billion yen, the ministry said, citing active disposal of such loans extended to "jusen" mortgage companies and other nonbank moneylenders.

An official at the ministry's banking bureau said Japanese banks stepped up write-offs of their problem loans during fiscal 1995 while accepting the red ink.

The policy reflects the banks' belief that their performance in mainline lending business will continue to fare well, analysts said.

In fiscal 1995, the banks' net business profit, or profit from lending and other key banking operations, rose to a record 8.4 trillion yen, thanks to record low domestic interest rates.

The ministry also revealed the ratio of the banks' bad loans against total lending as of the end of March.

Such a rate stood at 4.5 percent at the city banks, 9.8 percent at the trust banks, 3.0 percent at the regional banks and 11.8 percent at the credit unions.

Japan: BOJ Head Seeks Understanding for 'Easy Monetary Policy'

*OW3005054896 Tokyo KYODO in English
0336 GMT 30 May 96*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Bank of Japan Governor Yasuo Matsushita on Thursday [30 May] appealed to the people for understanding of the central bank's easy monetary policy while expressing his sorrow for the suffering of those who depend on interest income.

"I feel sorry to trouble people who largely depend on interest as a means of earning their bread as their income has fallen" due to low interest rates, Matsushita said at a House of Representatives ad hoc meeting on financial issues.

"But, in determining interest rates, we basically consider that a sustainable economic recovery will produce positive effects on the entire nation in terms of individual income, employment and so on," Matsushita said.

He said, meanwhile, that the bank "judges that the economy is on a moderate recovery path."

"Hereafter, I think it is important to bring the economy onto a more sustainable, more self-sustaining recovery track," he said.

Japan: BOJ Says Economy Recovering at Moderate Pace

*OW3005123196 Tokyo KYODO in English
1142 GMT 30 May 96*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Japan's economy has been recovering at a moderate pace since last fall thanks to the effects of pump-priming measures, after briefly stalling in the first half the fiscal 1995, the Bank of Japan (BOJ) said Thursday [30 May] in its yearly economic review.

The pump-priming measures compiled last September helped boost both public works spending and housing

investment, upturns that made a major contribution to the economic recovery, the report said.

In particular, housing investment was bolstered by the central bank's ongoing easy grip on credit, the report said.

The policy also provided impetus to the economy through beefing up entities with heavy financial liabilities, and led to a correction of the yen's excessive appreciation against the U.S. dollar as well as rallies in stock prices, it said.

But fears persist that the tempo of the recovery will be prevented from accelerating by lingering pressure from corporate structural adjustment efforts, it noted.

The report said it is imperative that the banking industry boost its financial intermediation role through resolving bad loan problems at an earlier stage in order to reduce those fears.

Soundness in the financial business sector should give a boost to economic activity, it said.

In fiscal 1995, which ended March 31, both corporate investment and personal consumption rose, following an improvement in corporate earnings and the subsequent restoration in consumer confidence, it said.

The report said slack private demand, therefore, bottomed out shortly before the end of last year.

In addition, labor market conditions were still stagnant, with improvements in market indicators remaining weak, it said.

Japan: Top Banker Retracts Remarks on Monetary Issue

*OW3005121096 Tokyo KYODO in English
1119 GMT 30 May 96*

[FBIS Transcribed Text] Tokyo, May 30 KYODO — The leader of a banking industry group, bowing to mounting criticism from the political world, Thursday [30 May] retracted his recent remarks on monetary policy, which angered Chief Cabinet Secretary Seiroku Kajiyama, a finance ministry official said.

Shunsaku Hashimoto, chairman of the Federation of Bankers Associations of Japan, expressed his intention to retract the remarks when he met with Finance Minister Wataru Kubo, the official said.

"I have regrettably made inappropriate remarks without fully recognizing the point of comments made by the Chief Cabinet Secretary," Hashimoto was quoted as saying.

"I want to apologize to Mr. Kajiyama as my remarks offended him," Hashimoto said.

The official quoted Kubo as saying, "Taking into account the recent situation of the industry, banks should fully understand how people are looking at them."

At Tuesday's press conference, Hashimoto said monetary policy is the exclusive jurisdiction of the Bank of Japan (BOJ).

"Those from circles other than the BOJ should not ask that something be done about it," Hashimoto said.

He was referring to Kajiyama's argument that Japan's policy of pegging interest rates at extremely low levels should be reviewed for pensioners and others depending on incomes from interest.

Hashimoto's remarks apparently infuriated Kajiyama. "Banks are not gods, banks are not the law. It's shameful that he asked others to keep silent," Kajiyama told a news conference Wednesday.

In talks with Hashimoto, Kubo urged the industry to make additional contributions to a scheme to liquidate failed "jusen" mortgage companies, the ministry official said.

Hashimoto replied the industry has already made maximum efforts and is perplexed by the call for further burdens, the official said.

The government scheme calls on the banks that founded the jusen companies to abandon all their loans to those companies, which are saddled with huge bad loans. Part of the loan losses at the jusen companies will be covered by taxpayers' money.

Public criticism of the scheme has prompted the government to seek additional contributions from the banks to offset the tax money.

An official at a major bank said the government is apparently intending to increase pressure on the banks, seizing upon Hashimoto's remarks.

The industry cannot accept additional burden or yield to a threat from politicians, an official at another bank said.

Japan: Keidanren Head Says Tax Increase 'Unavoidable'

*OW2805092996 Tokyo KYODO in English
0856 GMT 28 May 96*

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Business leader Shoichiro Toyoda said Tuesday [28 May] a sweeping administrative and fiscal reform and a hike in the consumption tax rate will be unavoidable

to maintain the country's economic power and international competitiveness and cope with an aging society.

Toyoda, chairman of the Federation of Economic Organizations (Keidanren), stressed at a general meeting of the federation the need for the government to improve the nation's financial conditions while continuing to keep the ratio of taxes to national income below 50 percent.

At the meeting, Keidanren approved a second term for Toyoda as chairman and the promotion to vice chairmanships of Naohiko Kumagai, president of Mitsui and Co., Masahiko Furukawa, chairman of Mitsubishi Chemical Corp., and Takashi Kitaoka, president of Mitsubishi Electric Corp.

Meanwhile, Keidanren left the vice-chairmanship held by the late Sueaki Takaoka, who was also chairman of Seiyu Ltd., unfilled.

In an effort to restructure itself, Keidanren integrated 42 policy committees into 30, abandoned its department chief and assistant chief titles and reformed its departments into issue-by-issue groups, Keidanren said.

Earlier this year, Keidanren compiled a long-term vision toward the year 2010, in which it stressed the need to promote economic structural reform, in which it said that the government's guidances and regulations, which led to Japan's prosperity after World War II, are now acting as national fetters.

Japan: Ruling Parties To Devise Way To Reform Finance Ministry

*OW2905074996 Tokyo KYODO in English
0546 GMT 29 May 96*

[FBIS Transcribed Text] Tokyo, May 29 KYODO — The three ruling coalition parties agreed Wednesday [29 May] to devise measures by around the end of September for reforming the finance ministry, coalition sources said Wednesday.

The accord was reached at a meeting of secretaries general and the chiefs of the policy affairs research councils of the Liberal Democratic Party, New Party Sakigake and the Social Democratic Party, the sources said.

The three parties also agreed to sketch out the outline of proposals to amend the Bank of Japan law during the current regular Diet session, which ends June 19 unless extended, they said.

The three parties also agreed to submit bills related to proposed reforms of the finance ministry and the central bank to the next regular Diet session, which will convene early next year, they said.

The three parties agreed to put off until the end of September a decision concerning the key issue of whether Japan should set up an independent agency dedicated to inspecting the books of financial institutions, the sources said.

The authority to examine the books of financial institutions on a regular basis is currently monopolized by the ministry.

The three parties have been at odds over a proposal to establish a strict system of inspection and supervision over financial institutions.

Sakigake has been demanding the creation of an independent agency with strong powers comparable to those of the Fair Trade Commission, whose authority is protected under article 3 of the national government organization law.

However, the LDP has been balking at the creation of such an independent agency, so the three parties will probably be unable to reach agreement during the current Diet session, political sources said.

A project team comprising legislators from the three parties wants to draw up a report on reforms in financial oversight by the end of next week and adopt it in the week beginning June 10, the sources said.

Shigeru Ito, chief of the project team, said the team wants to present its ideas in the report concerning the proposal to strengthen inspection and supervision of financial institutions.

However, the report will not specify what organizational form the new regulatory system will take, they added.

Japan: Former Chief of Cosmo Credit Rearrested

OW2905095596 Tokyo KYODO in English
0752 GMT 29 May 96

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Prosecutors arrested the former president of the now-defunct Cosmo Credit Corp. and four others again Wednesday [29 May] on suspicion of causing losses to the company through the illegal loans totaling 5.6 billion yen.

The rearrests followed initial arrests May 7 and subsequent indictment of Sampachi Taido, 51, the former president, and six others, on suspicion of breach of trust in relation to the use of the funds as loans by the Tokyo-based credit union to dummy companies set up by Taido's relatives.

Prosecutors in the Tokyo district public prosecutors office suspect that the loans were extended without sufficient collateral and despite knowing that the companies

would not be able to pay them back, according to investigative sources.

The aggregate illegal loans, including the sum for which Taido has already been indicted, amounts to some 12.3 billion yen.

The other arrested accomplices include Joji Sato, 61, former Cosmo acting president, and Yasuhiko Suwabe, 66.

Prosecutors said the five are suspected of conspiring to extend loans without adequate collateral between March 1992 and January 1993.

The dummy companies then used the money to buy property from Cosmo Vision, another company connected with Taido's relatives, at prices well above prevailing rates. The property was then offered as collateral to the value of 2.1 billion yen, considerably less than the loans extended.

Prosecutors also suspect that some 2.8 billion yen of the 5.6 billion yen loans was funneled to a company run by a nephew of Taido to use in paying back a loan to a bank, and a further 1 billion yen circulated via Cosmo Vision and back to the credit union as repayment for a loan.

Cosmo went bankrupt last July with 350 billion yen in nonperforming loans, 72 percent of its outstanding loans.

Taido is a former member of the House of Representatives and a former chairman of SS Pharmaceutical Co.

On March 25, Cosmo's operations were taken over by Tokyo Kyodou Bank, a special bank originally set up to dispose of bad loans left by two other failed credit unions.

Japan: Panel Begins Talks on Relocation of Capital

OW2405044096 Tokyo KYODO in English
0228 GMT 24 May 96

[FBIS Transcribed Text] Tokyo, May 24 KYODO — A committee under the Economic Council, an advisory panel to the prime minister, began discussions on the relocation of Japan's capital at its first meeting held Friday [24 May], government officials said.

Economists and city-planning experts exchanged views on the effects that the planned relocation would have on the country's economic activities, and on the administrative reforms that would be necessary.

Officials from the National Land Agency, which serves as the secretariat of an investigation panel on the relocation of the Diet and other public facilities, also

attended the meeting to explain the final report that was submitted by the panel in December last year, the officials said.

The report called for government functions to be moved to a location of up to 30 kilometers from Tokyo, and that the candidate sites for the new capital be selected within two years. It also said construction should start by the end of the century.

The panel on the relocation of the capital is planning to hold about five meetings by around November, and will be hearing views from the Tokyo metropolitan government, which is opposed to shifting the capital, the officials said.

The ruling three-party coalition and the main opposition Shinshinto (New Frontier Party) are hoping to submit a bill to the ongoing Diet for the capital's relocation. Under the bill, a council will be set up to select candidate cities.

It is unclear whether the bill will be submitted, however, in the face of strong opposition from legislators of the Liberal Democratic Party from the Tokyo constituencies.

Japan: Science White Paper Points Out Lag in Research Standard

OW2805050896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 May 96 Evening Edition p 1

[FBIS Translated Text] Science and Technology Agency Director General Hidenao Nakagawa gave a briefing on the 1996 Science and Technology White Paper at a 14 May Cabinet meeting. It is the first report to be released since the Science and Technology Basic Act was implemented to reform the research system in this field. The report says that Japan clearly fell behind the United States and European countries in terms of research standards in the mid-1990's. It emphasizes that to create new industries and to encourage original research, such as a program to solve the environment problem, efforts should be made to train researchers in a wide variety of fields and to create the conditions in which researchers can concentrate on their studies.

The report also points out that according to the result of a survey on experts' sentiments, the U.S. superiority is growing in five main technological sectors, such as information, electronics, and material studies. Moreover, it says that the United States has led Japan even in terms of production and machinery technologies where Japan used to have an advantage.

It then stresses the need to hire technicians and research assistants to handle laboratory and clerical tasks so that researchers will be left to concentrate on their studies.

It also emphasizes the need to create a competitive research atmosphere by employing young researchers at colleges and other institutes over limited terms.

At the same time, it proposes increasing research budgets. The total amount of Japan's research funds makes up less than 0.03 percent of its gross domestic product (GDP), standing at a level similar to that of the United States and Europe. However, the basic research budget is only one-third that of the United States. In addition, it shows concern for the fact that the private sector's allocations for research programs decreased from FY92 to FY94.

Japan: Science Agency Reprimands Officials Over Monju Leak

OW2305123296 Tokyo KYODO in English 2115 GMT 23 May 96

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Science and Technology Agency Chief Hidenao Nakagawa on Thursday [23 May] severely reprimanded three senior agency officials in connection with a sodium coolant leak last December that forced the closure of the prototype fast-breeder reactor Monju in western Japan.

Nakagawa disciplined Hiroto Ishida, administrative vice minister at the agency, and the two others on the grounds that the accident had "damaged public trust in nuclear energy due to concerns over the safety of nuclear reactors and supervision of nuclear development."

The agency submitted a report on the probe into the Dec. 8 accident to the government's Nuclear Safety Commission earlier in the day, concluding that the flawed design of a temperature sensor gauge caused the accident at the plant, located in Tsuruga, Fukui Prefecture, on the Sea of Japan coast.

Although the report points out areas where the agency failed in its handling of the accident at Monju, which is operated by the governmental Power Reactor and Nuclear Fuel Development Corp. (Donen), it does not clarify who was responsible for the gaffes.

Nakagawa, however, pledged that the accident report was not a strategic move toward reopening the plant. The other agency officials that were reprimanded are Toshio Okazaki, chief of the Atomic Energy Bureau, and Masayasu Miyabayashi, chief of the Nuclear Safety Bureau.

"Legally speaking their behavior does not amount to professional negligence, but considering the gravity of the accident we had to ask who is ultimately responsible," Nakagawa said.

The report summarizes the results of the investigation into the accident and points to the agency's failures, saying that no safety check pertaining to the structure of the temperature sensor had been conducted, that plant safety inspectors relied on information from Donen after the accident instead of gathering their own data and that Donen's cover-up attempts were long overlooked.

Donen was found to have issued false reports, and suppressed and edited videos taken in the plant shortly after the accident in an attempt to cover up the extent of the leak.

To remedy the weaknesses of the reactor surveillance system, a new security management bureau headed by an agency official will be set up in Tsuruga to begin work from July 1.

In addition, a special team will be formed to reassess the safety of the fast-breeder reactor.

Pukui Gov. Yukio Kurita stressed that the report is only an interim one and that further investigations are needed to ensure the safety of Monju.

He also said that the state and Donen must "actively publicize information" to enhance transparency and restore the trust of local residents.

Meanwhile, Donen chief Hiroshi Oishi, who will resign Friday while accepting a 10 percent cut in his retirement money to take responsibility for the accident, also Thursday announced disciplinary measures against five Donen officials who were in charge of the reactor, saying that they displayed poor leadership in managing the crisis.

As for the gauge's flawed design, the report said that the maker apparently missed the fact that international standards for such gauges had been changed.

Monju, originally scheduled to reach its full 280-megawatt output in June this year, was running at 43% capacity at the time of the accident. Although no radioactivity was released, the accident and the following cover-up refueled domestic debate over the need for the fast-breeder reactor, which the government regards as a cornerstone of its nuclear power program.

Fast-breeder reactors produce more nuclear fuel than they consume.

Critics say the technology is too costly and denounce the dangers involved in shipping nuclear waste around the world for reprocessing in Europe to supply Monju with plutonium fuel.

Japan: New Monju Chief Vows Fresh Start, Open Organization

OW2405055896 Tokyo KYODO in English
0403 GMT 24 May 96

[FBIS Transcribed Text] Tokyo, May 24 KYODO — The new head of the corporation which runs the fast-breeder nuclear reactor Monju pledged Friday [24 May] to bring a fresh outlook to reforming the organization.

Toshiyuki Kondo, 70, was speaking at a press conference after his appointment by Prime Minister Ryutaro Hashimoto as the head of Power Reactor and Nuclear Fuel Development Corp. (Donen).

Kondo was previously a director of Tokyo Electric Power Co. and deputy chairman of the Federation of Electric Power Companies.

The prototype Monju reactor has been closed since last December, following a major leak of sodium coolant. Donen has been under fire not only because of the leak, but also because of its attempts to cover up the seriousness of the situation.

However, Kondo said he could detect a new and bracing atmosphere in Donen, and he would focus on making it more accountable.

"The most important task is to build a Donen which is open to society and based on the support of local communities," Kondo said.

"We would like all employees to bring a fresh outlook into tackling that task," he added.

Kondo said that when he paid a courtesy call on Hashimoto in the Diet, the prime minister told him that Kondo's task is not to restart the operation of Monju as soon as possible.

Rather, Hashimoto urged him to make thorough investigations into the cause of December's accident and thus try to recover the trust of local residents and the Japanese people as a whole, Kondo said.

Kondo succeeded Hiroshi Oishi, 67, who resigned as the head of Donen to take responsibility for the December accident.

Oishi apologized in December in the Diet for the corporation's actions after the shutdown of Monju.

The corporation was found to have issued false reports, and to have suppressed and edited videos taken in the plant shortly after the accident in an attempt to cover up the extent of the leak.

Japan: Telecom Ministry Urges Data Infrastructure Improvement

OW2905113296 Tokyo KYODO in English
1033 GMT 29 May 96

[FBIS Transcribed Text] Tokyo, May 29 KYODO — The Posts and Telecommunications Ministry on Wednesday [29 May] released a medium-term plan for the improvement of information and communications infrastructures, envisaging the project will boost Japan's average economic growth rate by 0.3 percentage point between 1995 and 2000.

According to the plan, information and communications systems in Japan are antiquated as they rely primarily on characters and sounds, and relevant research and development expenditures are smaller than those in the United States and other advanced countries.

The ministry said in the report that the advancement of information and communications technology is expected to help the Japanese economy grow an average 3.0 percent between 1995 and 2000, 0.3 percentage point higher than estimated growth without the project.

The ministry also forecast that the number of workers in the information and communications industries will increase to 2.52 million in 2000 from 1.99 million in 1994.

The number of employees working at home or in satellite offices connected to main offices by communications equipment will increase to 35 million from 947,000 in 1995 the ministry said.

It said on-line shopping, electronic publications and other high-technology services, which are virtually nonexistent, will form a market of 700 billion yen by 2000.

The ministry said the plan will be at the heart of its next budget request.

Japan: Mitsubishi Announces PRC Technology Assistance Pact

OW3005111496 Tokyo KYODO in English
0944 GMT 30 May 96

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Mitsubishi Motors Corp. said Thursday [30 May] it has been given approval by Chinese authorities for a technology assistance agreement with a Chinese automaker based in Hunan province.

The Japanese automaker intends to expand sales in China of its off-road four-wheel drive vehicle Pajero, which accounts for a large portion of the company's exports to the country, company officials said.

The local manufacturer, China Changfeng Auto Factory, will produce a seven-seat, 2600 cc version of the Pajero and sell it through its own sales channels under the name Liebao, the official said.

The company estimates first-year production of the vehicle at 1,500 units, rising to 30,000 vehicles by the year 2000.

Local content in the first year will be around 15 percent, but in line with China's auto industry policy Mitsubishi plans to raise the ratio to 60 percent after five years, they said.

Japan: Advisory Panels Disagree on Social Security Costs

OW2805055596 Tokyo KYODO in English
0328 GMT 28 May 96

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Governmental advisory panels are at loggerheads over how to cope with surging social security costs, casting a shadow over Japan's efforts to rebuild its strained fiscal situation.

The heads of the fiscal system council and three advisory bodies related to social security issues held their first meeting Tuesday [28 May], but there was a wide difference of opinion on how to promote reforms of Japan's social security systems, panel members said.

The fiscal system council argued that the social security sector should not be treated as a "sanctuary" in debate on fiscal reconstruction, since a chronic increase in social security costs is behind Japan's structural budget deficit, the members said.

The three other panels, however, insisted that reforms of social security systems should be considered separately from discussions on fiscal health, they said.

The meeting was held at the initiative of Prime Minister Ryutaro Hashimoto. Hashimoto is seeking to deepen debate on the fiscal reconstruction issue beyond the walls of governmental advisory panels.

By some measures, Japan's fiscal condition is the worst among the group of seven industrialized countries. Its balance of outstanding government bonds is estimated to total 240 trillion yen at the end of next March, accounting for nearly 50 percent of the nation's gross domestic product.

Amid Japan's rapidly aging population, the problem of how to restrict mounting medical, nursing and other social security costs is a key to the government's bid to restore fiscal health.

Japan: Elderly Asked To Pay Bigger Share for Welfare

*OW2405043196 Tokyo KYODO in English
0231 GMT 24 May 96*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — The Health and Welfare Ministry on Friday [24 May] urged the elderly to carry more of the cost of the social security system, which faces a financial crisis.

In an annual white paper on welfare, the ministry estimates that one in four people in Japan will be aged 65 or older by the beginning of the next century.

The paper says the social security system will become increasingly important, since caring for elderly people at home will become more difficult due largely to the growing number of working women, who up to now have mainly shouldered that task.

It says older people themselves must pay more into the social security system, which faces a financial crisis due to the rapid rise in the cost of pensions and health insurance for the elderly.

According to the white paper, the ratio of households with three different generations in 1955 was 36.5 percent, but dropped to 17.8 percent in 1990. In the same period, two-person households soared to 20.2 percent from 3.4 percent.

The paper says the increase in the number of working women is also associated with a decrease in the birthrate, and the social security system should be reviewed to reflect such changes in society.

North Korea**DPRK: ROK Decision To Restructure 'Defence Drills' Criticized**

*SK2405140896 Pyongyang KCNA in English
0809 GMT 24 May 96*

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — Papers here today comment on the Kim Yong-sam group's recent decision to "totally restructure" the "civilian defence drills," "Ulchi" war game and other "exercises to cope with a crisis" in keeping with the "atmosphere of real war."

Papers brand this as intended to incite North-South confrontation and war fever against the North among the South Korean people and step up preparations for new war.

In a signed commentary titled "Nature of Warmaniac Revealed Again" NODONG SINMUN says:

The military exercises of the bellicose Kim Yong-sam group against the North were all staged in a frantic real war atmosphere simulating invasion of the North.

Nonetheless, they plan to upgrade the intensity of military maneuvers allegedly to overcome the "perfunctoriness" of the "exercises to cope with a crisis." This shows more clearly that they are obsessed with the ambition for war against the North.

Unless they are removed, the source of war can never be uprooted in Korea nor can the Korean nation evade the scourge of nuclear war inflicted by outside forces. As a mad dog must be beaten to death, so a stern punishment must be dealt in the name of history and the people to the bellicose Kim Yong-sam group, who are bringing the clouds of war over the heads of the nation.

An analyst of MINJU CHOSON says that although the Kim Yong-sam group seek a way out of their crisis in war against the North, they are mistaken.

DPRK: Daily Decries ROK Judgments on Pro-North Dissidents

*SK2405140896 Pyongyang KCNA in English
0809 GMT 24 May 96*

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — The Kim Yong-sam group pronounced prison terms on members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) on the charge of "pro-North activities" and "acts benefitting the enemy." Commenting on this, MINJU CHOSON today, brands this as a base criminal act to obliterate the daily mounting reunification movement.

The news analyst goes on:

They formed the Pomminnyon South side headquarters last year, calling for the withdrawal of the U.S. troops, the abolition of the "National Security Law" and reunification through confederacy, and had promoted the August 15 talks. The South Korean puppets labelled their acts as "pro-North activities" and "acts benefitting the enemy". This is a nonsense of the separatists opposing the reunification.

The "National Security Law" is a notorious anti-reunification, anti-national, anti-democratic evil law. If demand for the abolition of the "NSL" is "pro-North activity" and an "act benefitting the enemy", the traitor Kim Yong-sam and his American masters, who once prattled about this matter, must undergo trial for their "pro-North activities" and "acts benefitting the enemy".

The Kim Yong-sam group should release the pro-reunification patriots at once and stop suppressing the

reunification movement before it will be severely judged by the people.

DPRK: ROK 'Fascist Clique' Suppression of Pommminyon Decried

*SK2505101296 Pyongyang KCNA in English
0751 GMT 25 May 96*

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — The Kim Yong-sam fascist clique on May 22 sentenced Chairman Kang Hui-nam and 8 members of the South side headquarters of the National Alliance for the Country's Reunification (Pommminyon) to prison terms on the charge of violation of the "National Security Law". NODONG SINMUN today says this is an illegal fascist outrage and a criminal act against the nation and reunification.

The news analyst goes on:

The fascist clique labelled them as "those benefitting the enemy" for the mere reason that they demanded the same as the northern half of Korea did. This is a sophism to justify crackdown on them and a complete obstinacy.

All the fellow countrymen are expressing full support to our proposals and policies such as the three principles of national reunification — independence, peaceful reunification and great national unity — the proposal for reunification through confederal formula and 10-point programme of the great unity of the whole nation because all of them mirror the aspiration and will of the nation and reflect the concrete situation of the country.

It is very good and natural that the Pommminyon South side headquarters, a non-government organisation for the reunification movement, favourably responded to our reasonable and realistic proposals and policies.

It is stupid that the Kim Yong-sam fascist clique incriminated the members of the Pommminyon South side headquarters for calling for the abolition of the "NSL", "withdrawal of the U.S. troops" and "reunification by confederacy".

The "NSL" is the worst fascist law against the nation and reunification, trampling down democracy and civil rights.

The U.S. senior officials also reaffirmed that the repeal of the "NSL" in South Korea is an official stand of the U.S. Administration.

If the members of the Pommminyon South side headquarters are made to be criminals for calling for the abolition of the "NSL", the South Korean people, the world conscience as well as the U.S. demanding the same with them must be criminals from the viewpoint

of the "NSL". No one responds to the unreasonable and stupid sophism of the puppets.

DPRK: NCNP Cited on People's 'Hate' of ROK Government

*SK3005035796 Pyongyang KCNA in English
0326 GMT 30 May 96*

[FBIS Transcribed Text] Pyongyang, May 30 (KCNA) — A spokesman for the "National Congress for New Politics" [NCNP], an opposition party in South Korea, on May 27 said that people hate the present "government", according to a radio report from Seoul.

The "government" and the ruling party must know that the people have the right to resist the "government" which neglects them, he stressed.

If the Kim Yong-sam group do not accept the will of the people expressed in the "general election", turning a deaf ear to their feelings, the opposition forces will overthrow the "civilian"-veiled dictatorship through firm concerted action, the spokesman declared.

DPRK: SKNDF Denounces ROK 'Crackdown' on 'Democratic Forces'

*SK3105034996 Pyongyang KCNA in English
0331 GMT 31 May 96*

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — A spokesman for the National Democratic Front of South Korea (NDFSK) [SKNDF] made public a statement on May 27, denouncing the Kim Yong-sam group for fascist crackdown upon the patriotic, democratic forces for reunification, said Seoul-based radio Voice of National Salvation.

The statement noted:

Frantic fascist suppression of the democratic forces is no more than a death-bed wriggle of those facing a serious ruling crisis. The Kim Yong-sam group are now cracking down upon the democratic forces in a bid to tide over the crisis and realise reassumption of power at any cost.

The "leftist, pro-communist" act, a pretext for suppression by the "civilian" dictatorial group, is an incoherent fabrication which the military dictators had used whenever they found signs of a downfall.

The Kim Yong-sam clique's racket to "eradicate leftist, pro-communist forces" will only result in precipitating its ruin.

Kim Yong-sam should stop fascist suppression and step down from power without delay before his desperate

wriggle brings the same miserable end as the former military dictators met.

NDFSK will wage a more vigorous struggle to overthrow the villainous, pro-American "civilian" dictatorial regime, together with the broad segments of people aspiring after independence, democracy and reunification.

DPRK: ROK Criticized for Arresting Pro-Reunification Patriots

**SK3105043996 Pyongyang KCNA in English
0343 GMT 31 May 96**

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland issued information No. 714 on May 30, in which it denounced the South Korean ruling quarters for having imposed jail terms on three members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon). This is an intolerable political suppression intended to completely emasculate the South side headquarters and its members, it added.

It is a cock-and-bull far-fetched manner for the fascist clique to punish the headquarters' members including its vice-chairman Chon Chang-il on the charge of "spying", the information said.

Such an act vividly illustrates that it is motivated by an ill-intentioned political plot to stamp out the civilian organizations involved in reunification movement and the pro-reunification patriots in South Korea by connecting them to the north in a far-fetched manner.

All pro-reunification patriots illegally arrested in South Korea including the Pomminnyon members should be released without delay, the information stressed.

DPRK: ROK's Opposition Parties' 26 May Rally Noted

**SK2805081096 Pyongyang KCNA in English
0757 GMT 28 May 96**

[FBIS Transcribed Text] Pyongyang, May 28 (KCNA) — The "National Congress for New Politics" and the "United Liberal Democrats", opposition parties of South Korea, held a rally in Seoul on May 26 to defend the people's will expressed at the April 11 "general election", and denounced the arbitrariness of the ruling party, according to a radio report from Seoul.

Kim Tae-chung, president of the "National Congress for New Politics", accused the "government", the ruling party, of setting in motion money and power for the election and, forcing the opposition and independent lawmakers-elect into joining the ruling party. "Such

act can be surmounted only with the turn-over of the 'government', he said.

The president of the "United Liberal Democrats", Kim Chong-pil, said that the "present 'government' is trying to cook up the rate of parliamentary seats with power, turning its back on the result of the election brought forth by the people". He demanded the "New Korea Party" stop arbitrariness trampling down the people's will.

The two parties made public a four-point resolution calling for an apology from the "NKP" to the people, nullification of the illegal returns of lawmakers-elect and restoration to the original state of all the opposition and independent lawmakers-elect who were drafted into the ruling party. They declared that they will continue struggle till such demand will be met.

On May 25, the two parties waged a struggle against the ruling party at 15 places in Seoul.

DPRK: Yi In-mo's Arrival in New York Reported

**SK3005145896 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 30 May 96**

[FBIS Translated Text] Comrade Yi In-mo, the incarnation of faith and will, arrived in New York, the United States, today by plane for medical treatment.

Comrade Yi In-mo was warmly welcomed at the airport by the chief of our country's permanent mission to the United Nations, other members of the mission, and their families.

Prior to this, on 29 May, Comrade Yi In-mo was seen off in Beijing by Chu Chang-chun, our country's ambassador to China, and embassy officials. He made a brief stopover at Narita Airport in Japan.

At the airport, Comrade Yi In-mo received a floral bouquet sent in the name of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon] and greetings extended by Chairman Han Tok-su, Chief Vice-Chairman Ho Chong-man, and other leading officials of the Chongnyon Central Standing Committee.

Departing the fatherland, Comrade Yi In-mo shed tears all the way, moved by the respected and beloved General Kim Chong-il's deep benevolence. He said that whenever he thinks about his benevolence for an ordinary fighter, the happiness and glory of being the great general's fighter are boundless.

He expressed thanks to the Chongnyon and Koreans residing in Japan who greatly encouraged and supported

him while he was staying in South Korea and after being embraced by the fatherland, and said that the Chongnyon functionaries and Koreans residing in Japan should deeply bear in mind loyalty, devotion, and singlemindedness for the respected and beloved General Kim Chong-il and should devote themselves to the cause of reunifying the fatherland.

DPRK: U.S. 'Allegation' on Russian Tech Transfer to PRC

*SK3105061296 Pyongyang Korean Central Broadcasting Network in Korean
0300 GMT 31 May 96*

[FBIS Translated Text] According to reports, the United States has recently spread rumors on the transfer of Russia's missile technology to China, but Russia and China deny this. As a result, conflicts are arising among these countries.

In an interview with THE WASHINGTON TIMES on 21 May, U.S. Defense Secretary Perry said that China was going to obtain the intercontinental ballistic missile technology from Russia, and that the U.S. Government strongly protested China regarding this matter. He also said that the U.S. Government informed Russia of its position that it strictly opposes the Russian plan to transfer its missile technology to China.

With regard to the U.S. allegation, a ranking Russian Foreign Ministry official flatly denied the report that China is going to obtain Russian missile technology. China has also reportedly denied the U.S. allegation.

DPRK: U.S. 'Aerial Espionage' in May Reported

*SK3105033896 Pyongyang KCNA in English
0333 GMT 31 May 96*

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — The U.S. imperialists conducted aerial espionage on the northern half of Korea by reconnaissance planes on over 170 occasions in May.

The espionage was carried out by strategic and tactical reconnaissance planes based in South Korea and overseas.

The strategic reconnaissance plane "RC-135" on May 18 and the high altitude strategic reconnaissance plane "U-2" on May 2nd made a long-hour flight along the Military Demarcation Line to conduct electronic and photographing espionage on the whole area of the northern half.

On the 21st and 28th, the patrol plane "P-3" and the early warning plane "E-3" committed espionage on the sea, coast and tactical defence area of our side.

Such espionage can be done on the eve of war. This shows that "peace ensurance" and "detente" on the lips of the U.S. imperialists are no more than a sophism and that they are watching for a chance to ignite a war against the North.

DPRK: Talk Assails Japan-U.S. Military Collusion

*SK3105061496 Pyongyang Korean Central Broadcasting Network in Korean
0753 GMT 28 May 96*

[Unattributed talk: "Japanese Reactionaries Are Stepping Up the Military Collusion with the United States"]

[FBIS Translated Text] Today, the Japanese reactionaries are stepping up military collusion with the United States and seriously threatening peace and stability on the Korean peninsula and Asia, turning a blind eye to the strong demand of the people of the world to clearly liquidate their criminal past.

As known, Japan issued a Japan-U.S. joint security declaration in April after holding talks with the United States. In the declaration, they stated that Japan and the United States may take joint military action even under circumstances in which Japan is not subject to an armed attack, that is, the security of Japan is not endangered, which is a departure from the previous declaration that such joint action will be taken when Japan faces the danger of becoming subject to a real armed attack. This has paved the way for Japan's active participation in the implementation of U.S. strategy toward the Korean peninsula and the Asia-Pacific region in general.

The fact that Japan and the United States are stepping up their military collusion is also graphically shown by the fact that the Japanese reactionaries and the United States signed the materials and manpower supply agreement designed to expand the scope of Japan's logistic support for the U.S. Forces and beef up their military and technological conspiracy and collusion. This agreement lists 15 goods and services that Japan must provide to the U.S. Forces. They include food, drinking water, fuel, clothing, parts, transportation, repairs, and maintenance. The agreement also foresees that Japan will supply more weapons parts to the U.S. Forces by further expanding the provision on exceptions in the three principles on a ban on weapons exports.

The United States proposed signing this agreement with Japan in 1988 in order to more effectively use Japan as a supply, transportation, and transfer base for the war maneuvers in the Asia-Pacific region. Japan intended to sign this agreement with the United States to expand the dispatch of Self-Defense Force troops overseas. At first, it did not seek to sign the agreement in earnest,

for fear of a criticism that this was a violation of the constitution, which bans collective self-defense.

When the Cold War was over and when the United States proposed that the Japan-U.S. military alliance play a role in regional security, Japan chimed in and promoted an atmosphere favorable to the signing of the agreement. And, it formally consented to the U.S. proposal in May of last year and signed the agreement recently, right before the Japan-U.S. summit talks.

Flushed with eagerness for aggression, the Japanese reactionaries are staging U.S.-Japan joint military exercises more frequently and seeking to enhance their capability to launch overseas operations. Toward the end of January this year, the U.S. Forces Japan and the Self-Defense Force staged the [word indistinct] command post exercise on an unprecedented scale, in which 8,000 soldiers participated. This exercise focused on landing operations in the enemy territory. The Japanese reactionaries staged the [word indistinct] command post exercise with the U.S. imperialists to prepare for a war of aggression.

Also, on 19 February, the United States and Japan staged a joint Air Force exercise in the skies over Kyushu, in the northwest of Japan. Prior to this, they staged a special minesweeping exercise.

Various joint military exercises which Japan participated in recently are extremely threatening in its scale, offensive character, and criminal intent.

The Japanese reactionaries are conducting joint military exercises with the U.S. Forces once or twice almost every month. Most of the exercises are aimed at using nuclear weapons. Its goal is to attack other countries by using nuclear weapons in case of an emergency. As such, up until the present, joint military exercise of the Air Force were held about 100 times in which most of them were nuclear war exercises. Many U.S.-Japan airplanes capable of loading nuclear weapons participated in these exercises.

The Japanese reactionaries actively participated in the joint military exercise among the U.S.-Japan-South Korea, thus, scheming to achieve the rascals' ugly aggressive ambition.

The large-scale military exercise, Rimpac-96, has been conducted from 22 May. This exercise will last for one month in the waters of Hawaii of the Pacific Ocean in which 40 vessels, 250 planes and helicopters, and about 30,000 force of arms including U.S. aircraft carriers are being mobilized. Here, along with the U.S. Forces and the South Korean puppet army, the Japan Self-Defense Forces are also participating.

This is a dangerous war common threatening security on the Korean peninsula and Asia-Pacific region. It is receiving denunciation from the world public. In this Rimpac-96 military exercise, along with the U.S. Forces and the South Korean puppet army, the Japan Self-Defense Forces are even participating. This clearly shows to which degree the U.S.-Japan maneuver to provoke a war has reached.

Availing themselves to the U.S. strategy, the Japanese reactionaries are throwing themselves toward the road of overseas aggression. By doing so, the situation on the Korean peninsula and its neighboring region are becoming all the more tense, and this is seriously threatening peace and security in Asia.

The Asian people must enhance vigilance over the grave consequences the unusual military moves will bring about. Those who enjoy fire are bound to be burnt to death. Strengthening of the military collusion and aggressive military moves between the United States and Japan running counter to the trend of the times will ultimately only bring about a bitter crushing defeat.

DPRK: Talk Denounces Japan's 'Military Expansion' With U.S.

*SK3105053096 Pyongyang Korean Central Broadcasting Network in Korean
0854 GMT 28 May 96*

[Unattributed talk: "Japanese Reactionaries' Ambition for Military Aggression Overseas Which Is Becoming More Unscrupulous With Each Passing Day"]

[FBIS Translated Text] Today, Japanese reactionaries are more frenzied in their overseas expansion maneuvers without renouncing their wild ambition to dominate Asia. This is well proven by the fact alone that following the Japanese Government's recent decision to again review the guideline for Japan-U.S. defense cooperation, the chairman of the Security Affairs Research Council of the Liberal Democratic Party of Japan stated that an unstable situation is being created on the Korean peninsula, and openly stressed the need for Japan to make all possible efforts for discussing and deciding Japan-U.S. cooperation measures in the event of an emergency on the Korean peninsula.

The basic points in the Japan-U.S. defense cooperation guideline — which will reportedly be revised and supplemented through the joint review by the Japanese Ministry of Foreign Affairs, the Japan Defense Agency, and the Office of Security Defense of the Cabinet of Japan — are related to exercising the right of collective self-defense and supporting U.S. forces in an emergency.

Japanese reactionaries, under the pretext of instability in the situation of the Korean peninsula, are attempting to revise the Japan-U.S. defense cooperation guideline and, using this as leverage, is trying to strengthen their maneuvers for military reinvasion against Asia by taking advantage of the United States' policy for aggression and war.

Japanese reactionaries, who triggered aggression overseas on the strength of big countries in the past, are attempting to realize their maneuvers for metamorphosis into a military power and for overseas expansion by dragging in the United States to the so-called defense of Japan under the pretext of instability in the situation on the Korean peninsula.

Through the review of this guideline, Japanese reactionaries, instead of keeping the collective self-defense exercise to the case where Japan becomes subject to an armed attack, they are attempting to expand the exercise in include circumstances where Japan is not subject to an armed attack, in other words, to a situation which does not affect the security of Japan. Thus, Japanese reactionaries are attempting to expand the scope of the Japanese Self-Defense Forces' military actions without limit. They are also attempting to open the road on which they can dispatch large-scale armed forces at any place and at any time.

The ambition of Japanese reactionaries for reinvasion has long been apparent. Japanese reactionaries have already reduced the armed forces of their Army, Navy, and Air Force into a tool for aggression in collusion with the United States.

Japanese reactionaries are not only stepping up the development of new types of fighters in combination with the United States, but also attempting to possess a new reconnaissance satellite while clamoring about building an elaborate, highly mobile defense capability, and the like.

Modern types of tanks, armored vehicles, missiles, and aircraft are being produced in munitions plants in Japan, and [word indistinct] ships equipped with high performance missiles are being supplied to the Maritime Self-Defense Force of Japan which will play a leading role in the oversea aggression by Japanese reactionaries.

Japanese reactionaries' maneuvers to open the road of reinvasion on the strength of the United States finds clear expression in their attempt to continuously maintain U.S. military bases in Japan at any cost. Japanese reactionaries have employed all sorts of threat, blackmail, appeasement, and deception in order not to return the U.S. naval communications base located

in Yomitan, Okinawa —the lease term of which has already been terminated — to the owners of the land.

Disregarding the Japanese people's strong demand for the complete withdrawal of all U.S. military bases on Okinawa, Japanese reactionaries have recently decided to relocate the U.S. Air Force base located in Futenma, Okinawa to Iwaguni base in Yamakuchi Prefecture, Japan which is located close to our country, as called for by the United States. Thus, they are accelerating the work of expanding this Iwaguni base.

This tells us that Japanese reactionaries' ambition for reinvasion has exceeded its limit.

Japanese reactionaries' noisy clamoring about instability of the situation in the Korean peninsula is nothing but sophistry designed to cover up the maneuvers to reinforce their armed forces for aggression. It is also nothing but a mean, smear propaganda designed to maintain the military collusion with the United States at any cost.

The so-called review of the Japan-U.S. defense cooperation guideline is precisely a review of Japanese reactionaries' strategy against our Republic. It is also a review to realize their maneuvers for metamorphosis into a military power and for overseas expansion.

All facts show that the aggressive nature of the Japanese militarists has not changed and that it is becoming more unscrupulous and vicious with each passing day.

Japanese reactionaries should find a due lesson in their miserable defeat in the past and should act discreetly, paying heed to the voices of justice of the people of the world.

DPRK: Daily Decries Japan's 'Ambition for Overseas Expansion'

SK3105083996 Pyongyang KCNA in English
0820 GMT 31 May 96

[*"Crafty Move for Sinister Purpose"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — The Japanese reactionaries are vociferating on every possible occasion about the "exercise of the right to collective self-defence" and "exercise of the right to individual self-defence" for "security."

Commenting on this, a MINJU CHOSON analyst today says:

This is part of their crafty effort to dispatch a large number of the "Self-Defence Forces" to different parts of the world legitimately for active military operations so as to realise their ambition for overseas expansion.

The military spending of Japan and the equipment of the "SDF" are of the world level. What remains to be done is that they revise the Constitution which bans the use of arms overseas.

Through repeated "interpretation" and "discussion" about the "exercise of the right to self-defence" they are trying to convince the Japanese people of the "necessity" of the constitutional revision and divert elsewhere world public attention from their move for "security in case of emergency."

Their move for overseas expansion can be said to be in the stage of overall practice. It is evident that their reckless military move will wreck peace and security in Korea, Asia and the rest of the world.

Their anachronistic move to convert Japan into a military power and expand overseas will only precipitate Japan's destruction.

DPRK: Pakistani Prime Minister Sends Relief Aid to DPRK

*SK3105110996 Pyongyang KCNA in English
1028 GMT 31 May 96*

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — Relief material from Pakistani Prime Minister Benazir Bhutto arrived in the wake of flood damage in Korea.

The relief material was delivered at Nampo Port today with due ceremony.

Present on the ceremony were Vice-Minister of Food Administration Paek Man-ho and other officials concerned and Pakistani Ambassador to Korea Rehmdil Bhatti and embassy officials.

At the ceremony, the Pakistani ambassador hoped that although five thousand tons of rice from her excellency the Pakistani prime minister is not a large amount, it will contribute to the development of friendly relations between the two countries and to the Korean people's recovery from flood damage, if only a little.

DPRK: Foreign Nations, Groups Support DPRK Peace Proposal

*SK2405045196 Pyongyang KCNA in English
0329 GMT 24 May 96*

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — A signature campaign was conducted in many countries and by regional organisations in support of a new peace proposal of the Democratic People's Republic of Korea for establishment of a peace mechanism on the Korean peninsula, in accordance with an information of

the Secretariat of the International Liaison Committee for Reunification and Peace in Korea.

R.P. Nyandoro, chairman of the Harare Provincial Committee of the Zimbabwe African National Union-patriotic Front, signed a signature paper on behalf of more than 1.4 million members of the front and people in the province.

He said that now that the Armistice Agreement has been destroyed by the U.S. and the South Korean authorities and the Demilitarized Zone South of the Military Demarcation Line turned into a position for invasion of the northern half of Korea, establishment of a peace mechanism has become a more urgent matter.

He demanded that the U.S. abandon its hostile policy toward the DPRK and accede to the new peace proposal of the DPRK.

The signature paper was signed by the vice-chairman of the General Trade Union for Building and Wood Industries Workers of Egypt on behalf of 350,000 members of the organisation on May 16 and by the members of the Napoli Society among the peoples in Italy on May 1.

It was also signed by Farouk Abu Eissa, general secretary of the Arab Lawyers Union, on behalf of 100,000 members of its 27 affiliated organisations in Arab countries on May 9.

DPRK: Daily Marks 10th Anniversary of Kim Il-song's WPK Work

*SK3105043296 Pyongyang KCNA in English
0350 GMT 31 May 96*

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — NODONG SINMUN today dedicates an editorial to the 10th anniversary of the publication of the great leader President Kim Il-song's immortal famous work "Historical Experience of Building the Workers' Party of Korea [WPK]."

The editorial calls for exalting forever the feats the president performed in party building.

His feats and experience in the party building through the protracted and hard-fought revolutionary struggle constitute an undying asset to strengthen and develop the Workers' Party of Korea into a revolutionary party of chuche type for good and all, the editorial says, and continues:

It is his great contribution to the cause of building the revolutionary party of chuche type that he made a new history blessed with independent building of a working-class party.

He always built ideology, organisation and leadership art of the party his own way, which is quite different from that laid down in the preceding theory of party building.

Even at the time of the collapse of the socialist ruling parties in some countries the WPK invariably stood true to the revolutionary principles. It has built up its ranks organisationally and ideologically even at a time when the imperialists' campaign to isolate and stifle it was at its height.

Another immortal contribution of Comrade Kim Il-song is that he built the WPK into a mother party which assumes full responsibility for the destinies of the people for ever.

The Workers' Party of Korea boundlessly exalts the socio-political integrity of all members of society; makes every possible effort to increase the well-being of the people; and overcomes hardships and trials, making itself a harmonious whole with the people. This is the appearance of the WPK, which has grown in strength under the care of the fatherly leader Comrade Kim Il-song.

His greatest contribution to the cause of building a chuche-type party is that he built the WPK with his clairvoyant insight into its future.

He, with his deep insight into the historic necessity of carrying forward the party's cause, flawlessly solved the problem of succession of leadership as desired by the people. This is his undying contribution to the cause of building a revolutionary party.

His feats in building a chuche-type party are resolutely defended and creditably carried forward and developed by the respected Comrade Kim Chong-il.

Comrade Kim Il-song's history of party building is linked with the history of Comrade Kim Chong-il's revolutionary activities and the former's feats in party building shine along with the latter's exploits in leadership.

It is an eternal chart for the building of the WPK to resolutely defend and carry forward Comrade Kim Il-song's exploits in party building.

Doing all things as Comrade Kim Il-song did is the maxim of the WPK's work for ever, adds the editorial.

South Korea

ROK: Political Circles' Reaction to DPRK MiG Defection Noted

SK2505030596 Seoul MUNHWA ILBO in Korean
24 May 96 p 4

[By reporters Cho Yong, O Chang-kyu, and Yi Hyon-chong]

[FBIS Summary] As the defection by a North Korean pilot on a MiG-19 fighter and the intrusion into our territorial waters by North Korean patrol ships on 23 May are creating "delicate waves" in the political circles, the ruling and opposition parties are busy preparing their own measures to cope with the possible influence of the waves on the political trend while they are outwardly unanimously stressing the need to secure a firm national security position. In particular, the ruling New Korea Party [NKP] "seems to believe that the current tense South-North relations will stimulate the people's desire for stability and this is helpful in thawing the frozen political situation," whereas opposition parties "appear to be greatly concerned about the possibility that the recent incidents may becloud the point of their anti-NKP struggle."

NKP issues two statements on a series of North Korean provocations at the same time, one toward North Korea and the other toward opposition parties. In the former, NKP denounced a series of North Korea's armed displays as a "mean trick" to turn the people's eyes outside and replace the Armistice Agreement with a North Korea-U.S. peace agreement; in the latter, it criticized the National Congress for New Politics [NCNP] for "making allegations as if the government and the ruling party used North Korea's provocation for political purposes during the general elections" and branded the NCNP as "patients insensible to security."

Regarding the intrusion into the South by the North Korean Navy, an NCNP spokesman denounced the government and mass media for assuming an "extremely stilted and lukewarm attitude" though they "are supposed to take a stern countermeasure." Then, recalling the government's sensitive reaction to the previous "slight" intrusion into DMZ by North Korea right before the general elections, the spokesman said: "This proves that the government thoroughly used North Korea's moves for political purposes with the general elections and that the media played into the government's hands."

The United Liberal Democrats [ULD] analyzed that the defection of a North Korean MiG-19 fighter "has no political meaning" and "will not influence the domestic political circles," but that it "will certainly exert a bad influence upon South-North relations, pouring cold

water on the atmosphere for the four-way talks." The ULD viewed "It is unlikely that the government will use this incident for political purposes," but "strongly denounced" the government for the failure of the airborne alert system in Seoul.

ROK's Reaction to DPRK Pilot Defection Said 'Low-Key'

SK2505034696 Seoul THE KOREA TIMES in English 25 May 96 p 2

[FBIS Transcribed Text] With a North Korean air force pilot defecting to Seoul with his MiG-19 fighter Thursday, the North Korean leadership's dirty linen is again being washed in public.

Last year, North Korea lost its pride as a self-reliant socialist state by making, for the first time in its history, an international plea for aid following widespread food shortages in the aftermath of severe flooding.

However, the Seoul government fell short of defining the defection as a symptom of aggravating disarray in the North Korean political and social system, in an apparent effort not to provoke Pyongyang to take adverse steps.

The government's low-key approach is also understandable because Seoul and Washington have been waiting for the North's response since April 16 when they jointly proposed a four-way peace meeting to build a peace system on the Korean peninsula.

Officials here are still uncertain on what consequences the defection will bring about.

When another North Korean pilot Yi Ung-pyong arrived here aboard his MiG-19 in 1983, North Korea tried to play down the incident by making no official comment.

There is still the possibility that North Korea will allege that the pilot strayed across the Military Demarcation Line (MDL) accidentally and call for the repatriation of the pilot and his aircraft. If so, the atmosphere for the four-party peace talks would darken as Seoul is not in a position to return him to the North.

His action is seen as part of recent defections by North Koreans from the ruling elite class, who don't see any future in the North Korean system in contrast to Seoul's economic prosperity.

This year alone, a North Korea diplomat based in Zambia defected to Seoul along with his wife and a security officer sought political asylum at the Russian Embassy in Pyongyang. The odyssey of de facto leader Kim Chong-il's former wife from Moscow to an unknown European country vividly demonstrated signs of convulsions in the North Korean leadership.

Recently, North Korea has made a series of violations of Korean territorial waters in the West Sea [Yellow Sea] in an apparent bid to raise tension and win concessions from South Korea and the United States.

The infringement of the maritime borderline followed a series of incursions into the Demilitarized Zone (DMZ), which hit their peak several days before the April 11 Assembly elections.

North Korea apparently wants to know what it can secure in return for its acceptance of the four-party dialogue.

As Seoul and Washington made the proposal without any preconditions and without any definite agenda items, Pyongyang is still weighing whether to accept it.

The limited but well-calculated military steps could be interpreted as the North's actions to call on Seoul and Washington to reveal their cards prior to full-fledged bargaining in the four-way dialogue format.

In the worst-case scenario, North Korean policymakers are likely to resort to strengthened military actions to erase the nightmarish defection from their memories.

ROK: DPRK's Failure To Detect MiG Due to Poor Radar Network

SK2505040196 Seoul THE KOREA TIMES in English 25 May 96 p 3

[FBIS Transcribed Text] The daring escape by a North Korean air force pilot to South Korea in a MiG-19 jet fighter Thursday shows that the communist country has a less than perfect air defense system with important holes that need to be plugged.

However, the South has its own worries. Its anti-air raid system was not able to ensure an alert siren was sounded in the Seoul area when the North Korean MiG-19 fighter-bomber penetrated Southern air space. As it has become clear that lazy South Korean public servants were responsible, heads are expected to roll.

Meanwhile the North's air force sat on its hands apparently not able to decide what to do, when elite pilot, Capt. Yi Chol-su left his training path and stayed off it for 19 minutes before crossing the maritime borderline off the west coast.

The ROK Air Force said that Capt. Yi took off from an airbase in Onchon near Pyongyang at 10:30 a.m. and streaked south at full throttle until he crossed the NLL.

The North's anti-contingency measures were shown to be lacking when not one jet fighter scrambled to intercept the errant plane.

A ROKAF [ROK Air Force] official said that the North undertook a radar search for the missing MiG-19 but apparently failed to lock onto it, and that this explained why none of the North's formidable fleet of fighters took off.

The sense of bewilderment in the North Korean air force was indicated in the radio communication picked up in South Korea which the North's central command sent to the 1st squadron that Yi belonged to, asking, "Did you see the MiG go out to sea?"

A ROK Joint Chiefs of Staff official also confirmed that the North was at a loss over what to do, noting that the North ordered aircraft in the air to land after Yi strayed off his assigned course and faded off screen.

This action was interpreted as the North's desperate attempt to clear the skies and make it easier to locate Yi's MiG.

As for the reason the North could not find Yi's MiG, there are different views, the most convincing of which blames its patchwork radar network.

"South Korea relies on a central air defense center that covers the entire Korean peninsula, while the North has different commands assigned to different areas. Many commands provides more loopholes for an aircraft to pass through undetected," an expert said.

North Korea maintains an advantage over the South in terms of the number of military aircraft it has, perhaps seeking to avoid a repeat of the pounding it received during the Korean War from a superior allied air force.

ROK To Adopt Integrated Civil Air-Raid Warning System

SK2505025096 (Internet) The Joong-Ang Ilbo WWW in English 25 May 96

[FBIS Transcribed Text] The South Korean government held a meeting Friday with officials from the National Defense Ministry, Home Affairs Ministry and Seoul City, in order to come up with measures to reinforce the nation's air-raid warning system which failed to set off sirens when a defecting North Korean MiG-19 fighter approached Seoul Thursday. The government decided to adopt an integrated civil air-raid warning system which will link the main Tactical Air Control Center with the Air Control Centers in 15 cities and provinces.

The Home Affairs Ministry also plans to make a technical inspection of the Seoul Air-Control Center whose on-line system experienced 7 malfunctions during the 1984-1995 period.

ROK: President Kim Extols 4 Air Force Men Over MiG-19 Case

SK2505054496 Seoul YONHAP in English 0537 GMT 25 May 96

[FBIS Transcribed Text] Seoul, May 25 (YONHAP) — President Kim Yong-sam has praised four Air Force for handling the defection case involving a North Korean MiG-19 jet fighter pilot Thursday well, presidential spokesman Yun Yo-chun said Saturday.

The four, who were invited to the presidential office on Saturday morning, were Sfc. Yi Ki-yong, a surveillance operator of the master control and reporting center (MCRC), Pilots Maj. Choe Yong-sop and Capt. Hong Pung-son and Maj. Gen. Chu Chang-song, the commander of the 30th aircraft control and warning wing, the spokesman said.

After being briefed in detail by the servicemen about the whole process of detecting the North Korean fighter and escorting it to the Suwon air base, the head of state said, "swift and perfect Air Force operations have made this an example for our military."

ROK: Hard-Liners Seen Behind DPRK Air Force Reorganization

SK2605054196 Seoul TONG-A ILBO in Korean 26 May 96 p 2

[Article by reporter Hwang Yu-song "Background of the North Korean Air Force Reorganization"]

[FBIS Summary] It seems that the North Korean Air Force reorganized its combat air wings in such a way that each air wing has mixed types of aircraft in an apparent attempt to strengthen the overall offensive capability of its air squadrons. So far, the North Korean air wings and squadrons were operated by type of aircraft.

The North Korean Air Force so far organized its various types of aircraft into air wings by type of aircraft, such as tactical MiG-type fighters, old-model ground-attack aircraft, bombers, and cargo planes capable of infiltrating the rear area.

However, North Korea has recently reorganized its Air Force units so that each air squadron [as published] has mixed aircraft in an apparent attempt to carry out independent operations in case of an emergency.

Until recently, North Korea deployed tactical fighters with excellent maneuverability, such as MiG-21's (about 130), MiG-23's (about 40), and MiG-29's (about 40), and H-5 bombers (about 80) for strategic bombing purposes in the relatively rear area. On the other hand,

it deployed its older-model aircraft, such as MiG-17's (about 110), MiG-19's (about 130), Sukhoi-7's (about 20), and Sukhoi-25's (about 30), in the forward area for attack on the ground. At the same time, North Korea separately operated MI-24 offensive helicopters (80) and AN-2's (about 160) for close ground attack and rear area infiltration.

Now North Korea reorganized this with the concept of "combat capability with mixed types of aircraft." By so doing, it seems that North Korea attempts to have each air wing carry out independent operations in case of an emergency instead of separate operations for air battles, bombing against the ground, and infiltration into the rear area.

Observers note that the North Korean Air Force's offensive-type reorganization must be connected with the massive positioning of hard-liners in the North Korean military leadership which was brought about in the military personal action in October 1995.

Some analysts, however, view that the North Korean Air Force reorganization is desirable from the operational point of view but it can cause problems in the efficiency of command. Because the commanders cannot grasp the characteristics of the various types of aircraft, they will have difficulty in arming and maintaining the aircraft. This is why the air forces of the ROK and Western countries employ the organization based on single type of aircraft.

The mixed organization requires the aircraft equipped with modern electronic devices, such as the airborne warning and control system (AWACS), which North Korea does not have. "An official from the military authorities noted that mixed organization without AWACS could cause confusion in case of emergency."

ROK Said Arrested DPRK Agent Attempted To Kill Defector

SK2905112496 Seoul HANGUK ILBO in Korean 29 May 96 p 2

[Report by Moscow-based correspondent Yi Chin-hui]

[FBIS Translated Text] Pak Kap-tong, chairman of the Standing Committee of the National Salvation Front for Democratic Reunification of Korea formed by former ranking North Korean cadres who have defected overseas, said that one of the two North Korean agents sent to the South to murder him has been arrested by the ROK police and the other one escaped.

In an article he contributed to the Moscow-based weekly AGANYOK [as transliterated] published on 28 May, Pak stated that, bearing a grudge against the National Salvation Front for Democratic Reunification of Korea

and its activities, North Korea sent its agents to South Korea to murder him but the attempt has failed.

ROK: Two DPRK Scientists Seek Political Asylum in Beijing

SK3005000896 Seoul YONHAP in English 0001 GMT 30 May 96

[FBIS Transcribed Text] Seoul, May 30 (YONHAP) — Two North Korean scientists sought political asylum at the Japanese Embassy in Beijing early this month and were then referred to the South Korean mission there, a senior government official said Thursday.

Earlier reports had it that the Japanese Embassy in Beijing turned one North Korean scientist seeking political asylum over to the South Korean Embassy in the Chinese capital earlier in May.

The North Korean scientists, one in his 50s and the other in his 40s, sought political asylum at the Japanese Embassy on May 7, and were then turned over to the South Korean Embassy there after being persuaded by Japanese officials, according to the official.

"We have maintained tight security on the unprecedented defection case involving scientists," the source said.

Unlike the defection of North Korean soldiers and loggers, that of North Korean elites like scientists appears to reflect a serious institutional crisis in the North, the official speculated.

One of the scientists is 52 years old and the other in his 40s, according to the official.

"I understand that the authorities concerned will bring them to Seoul as soon as steps have been taken to insure their personal safety," the official added.

ROK: Asylum Seekers Reportedly DPRK Scientist, Writer

SK3005022096 Seoul KBS-1 Radio Network in Korean 0100 GMT 30 May 96

[FBIS Translated Text] It has been learned that the North Korean scientist who sought political asylum in Beijing on 7 May is Chong Kap-yol, director of the North Korean Acoustic Equipment Institute, and that in a separate case, a North Korean writer has also sought political asylum. Reporter Yi Yon-chu provides details on this from the Ministry of Foreign Affairs.

[Yi Yon-chu] A government official concerned said that the scientist who sought political asylum in Beijing on 7 May was a senior official of the North Korean Acoustic

Equipment Institute who was part of a nine member-North Korean delegation led by Dr. Chong Kap-yol that attended the International Invention and New Technology Conference which ended in Switzerland on 28 April.

The official said that in a separate case from this, a broadcast writer from the North Korean General Federation of the Unions of Literature and Arts directly sought political asylum at the ROK Embassy in Beijing, and that he is presently under their protection.

Another government official said that as far as he knows, the two North Koreans are Dr. Chong Kap-yol, 52, an associate fellow and director of the North Korean Acoustic Equipment Institute, and Mr. Kim Yong-hwan, a writer of the North Korean General Federation of the Unions of Literature and Arts.

The official said that the North Korean scientist first sought political asylum at the Japanese Embassy in Beijing, but that the Japanese Embassy referred his custody to the ROK Embassy in consideration of the potentially embarrassing situation that may hinder the promotion of the Japanese-North Korean talks for the establishment of diplomatic relations.

The official said that the two North Koreans, one a scientist and the other a writer, are important persons in North Korea. The official said that investigations were being conducted under tight security, and that the ROK Embassy is planning to send them to Seoul soon following discussions with the Chinese Government.

ROK: DPRK Asylum Seekers 'Expected' in Seoul 31 May

*SK3005225896 Seoul KBS-1 Radio Network
in Korean 2200 GMT 30 May 96*

[FBIS Translated Text] It has been learned that a working-level government team has been sent to escort the two North Korean figures, including a scientist, to Seoul. The North Koreans are now going through procedures to seek political asylum in South Korea while staying in a third country. Accordingly, they are expected to arrive in Seoul on 31 May.

A government official said on 30 May that discussions on seeking political asylum proceeded smoothly between the North Korean figures and the third country in which they are staying. The discussions were concluded earlier than expected and the only thing to do is to escort the North Korean defectors safely to our country as they wish.

The official said that upon arriving in the third country, the working-level team of the ROK Government will meet government officials of the third country to hold

negotiations on practical matters such as how and when to safely return the North Korean defectors to the ROK.

In particular, the working-level team seemed to have arrived in the third country, the official added. So, it is likely that the North Korean scientist and the other defector will arrive in our country on 31 May.

ROK: Dailies Comment on DPRK Scientist, Writer's Defections

SK3105062796

[FBIS Report] The following is a compilation of editorials from ROK vernacular newspapers published on 31 May, commenting on the defections of a North Korean scientist and a writer.

The moderate TONG-A ILBO carries on page 3 a 600-word editorial entitled "Even Intellectuals are Turning Their Backs on North Korea." The editorial notes that the recent North Korean defectors are privileged and highly educated, and it deems their defection different from those of loggers. The editorial analyzes that hunger, purges, and the infringement on human rights are the causes of the defections, and states that freedom and human rights are as important as bread. The editorial states: "The ever-expanding defection syndrome means that the internal collapse of the old North Korean order has already started, and it is rushing toward the boiling point." The editorial then worries about the defections' negative effect on the four-party talks, warning that it would be unwise for North Korea to play tricks using the defection incidents. The editorial concludes that North Korea should face reality and respond to North-South dialogue.

The moderate CHUNGANG ILBO carries on page 6 an 800-word editorial entitled "The Domino Effect of Privileged Ones Escaping From North Korea." Noting that the recent defectors were a foreign exchange dealer, diplomats, a pilot, and a scientist and a writer, the editorial states that the defections of such privileged people means that "North Korea's social deviation is serious" and that once they have seen the outside world, they will not yield to coercion or threats. The editorial continues by saying North Korea's military control is barely maintaining the regime and worries that any loss of control may result in disaster. Recalling that no one predicted Germany's reunification six months before it took place, the editorial urges the ROK Government, as well as various social circles, to prepare for a sudden exodus and reunification.

The pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled "The Defection of a North Korean Scientist and a Writer." The editorial

states that "we can sense the stir in the North Korean upper class" from the recent defections of privileged people. The editorial notes that the number of defectors has increased since the death of Kim Il-song, and states that the North Korean leadership has been weakened. The editorial assesses that the poverty of the lower class and the corruption and power struggles of the upper class is the background for the successive defections. However, the editorial states that "the continuous defections cannot be interpreted as the imminent collapse of North Korea." Noting that a North Korean who attempted to defect was shot to death in public in Russia, the editorial states that the dictatorship and atrocity can still separate the general public from the upper class. The editorial urges the government to prepare short-term measures, including measures for North Korean defectors and North-South dialogue, and long-term measures for a sudden change in North Korea.

The moderate HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Ominous Rush of Defections." Noting that the class of recent defectors is different from that of previous defectors in the Cold War era, the editorial states: "North Korea's uncertainty gives rise to more worry than curiosity." The editorial asserts that we should not look at their defections with curiosity, but should recognize that "North Korea's problem is our problem," because North Korea's collapse would greatly affect South Korea. The editorial believes that the proposal for four-way talks is not optimistic, and urges the government to prepare concrete steps for a possible sudden change in North Korea.

ROK: Kwon O-ki: DPRK Will Not Collapse in 'Immediate Future'

*SK2205030596 Seoul YONHAP in English
0255 GMT 22 May 96*

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — Deputy Prime Minister and National Unification Minister Kwon O-ki said Wednesday that North Korea will not collapse in the immediate future despite its political instability and economic difficulties.

"The instability of the North Korean system will not succumb to an immediate collapse," Kwon said at a lecture meeting. He based his prediction on the facts that the power transition has been under way over a long period of time, that its people completely lack experience in democracy and that a complete control over people and society has been maintained.

The meeting was hosted by Korea University's Graduate School of Journalism.

While discussing the North's food problem, Kwon predicted, "the food difficulties will continue for a consider-

able period of time due to the structural problems stemming from the socialist country's planned economy."

Among the structural problems he cited were the ineffectiveness of "chuche" farming methods and excessive military expenses.

As to the four-way talks proposed to establish peace on the Korean peninsulas, he said the government is working continuously to persuade the North Korea to accept the proposal in cooperation with the United States and Japan.

ROK: Kim Tae-chung Analyzes DPRK's Hostility Toward ROK

*SK2205112696 Seoul YONHAP in English
0716 GMT 22 May 96*

[FBIS Transcribed Text] Chinju, South Kyongsang Province, May 22 (YONHAP) — North Korea fears the possibility of it being "absorbed" by South Korea and this makes it continue to be hostile to the South, an opposition party leader said Wednesday.

Kim Tae-chung, president of the main opposition National Congress for New Politics (NCNP), said during a special lecture at Kyongsang National University that "even though North Korea appears to be kind of conciliatory, it is basically showing its hostility towards the South."

"North Korea has not stopped criticizing South Korea and is still arguing over Seoul's attitude at the time over the death of Kim Il-song. That's because they are afraid of an absorption by South Korea," Kim said.

He claimed that former government administrations have often manipulated North Korea-related incidents.

"The current government and ruling party in particular should admit that it politically exploited the Demilitarized Zone (DMZ) crisis in which Nor'n Korea unilaterally declared the Armistice Agreement invalid and sent armed troops into the Joint Security Area of the truce village of Panmunjom," Kim said.

ROK: Japanese Lawmaker: DPRK To Accept 4-Way Talks by 10 Jun

*SK2105232496 Seoul YONHAP in English
2310 GMT 21 May 96*

[FBIS Transcribed Text] Tokyo, May 22 (YONHAP) — An office holder of the Japanese Social Democratic Party (SDP) has said that his party has a convincing piece of information that North Korea will accept the joint South Korea-U.S. proposal for a four-way peace conference by June 10, the TOKYO SHIMBUN reported Wednesday.

The official made the remark while discussing a scheduled visit to Japan by a North Korean Workers' Party delegation at the invitation of his party, the daily said.

He, however, did not reveal the source of the information, the report added.

ROK: Daily Suggests DPRK About To Okay Four-Way Talks

SK2505132096 Seoul HANGYORE SINMUN in Korean 22 May 96 p 3

[Report by Kang Tae-ho]

[FBIS Translated Text] Kang Sok-chu, North Korean first vice minister of foreign affairs, commented on the four-party talks during a meeting with Japanese reporters who cover the Japanese Ministry of Foreign Affairs. These reporters have been visiting North Korea since 20 May.

According to a KYODO report wirefiled from Pyongyang, Kang Sok-chu mainly discussed the need to improve North Korea-Japan relations but briefly mentioned four-party talks.

He said: "We are examining the proposal for four-party talks. As the United States said it would give a necessary explanation, we are waiting for it. We will examine the explanation. Then, we will reject the proposal if it is bitter, and accept it if it is acceptable."

The remarks by Kang Sok-chu are North Korea's third official reaction to the proposal for four-party talks. Unlike the previous reactions in the form of a statement by a spokesman for the North Korean Ministry of Foreign Affairs on 18 April and an "answer" by a spokesman for the ministry on 7 May, greater significance may be attached to Kang's remarks because he was a chief negotiator in the North Korea-U.S. nuclear deal and is in charge of North Korean diplomacy toward the United States.

If we casually examine his remarks, they may sound insignificant. As an ROK Government official said, "His remarks are tantamount to saying, 'I will open an umbrella if it rains.'" An official of the ROK Ministry of Foreign Affairs said Kang reiterated North Korea's second official reaction. At that time, a spokesman for the North Korean Ministry of Foreign Affairs said: "We will taste the proposal to see whether it is sweet." In this way, he made it clear that North Korea would decide on its own no matter what other people may say. Kang's remarks that "we will reject it if it is bitter" are in the same vein.

However, Kang's remarks definitely contain a message if we examine them closely in view of the timing of his remarks and developments so far.

The spokesman for the North Korean Ministry of Foreign Affairs on 7 May asked the United States to give a detailed explanation on the proposal so that North Korea could know its purport and purpose and determine whether it is feasible. Then, the United States, through White House spokesman Michael McCurry and Department of State spokesman Nicholas Burns, assessed this as an "encouraging" response and said that if North Korea wants "further information or discussions," the United States will comply. And later, at the ROK-U.S.-Japan working consultations, the ROK and the United States proposed a "trilateral contact," saying that they were ready to jointly respond to North Korea's request for an explanation.

Taking this into consideration, Kang's remarks that North Korea would wait for an explanation by the United States mean that it will accept the U.S. proposal. Of course, he did not mention anything about a trilateral contract in which the ROK and the United States will jointly participate and described the four-party talks as a U.S. proposal. However, a majority of people speculate that North Korea is about to accept the four-party talks and that a "trilateral contact" will materialize. They also point out that one need not interpret Kang's non-mention of the "trilateral contact" negatively.

ROK: Gallucci on DPRK Food Aid, Four-Party Talks, DMZ Incursion

SK2205052396 Seoul YONHAP in English 0451 GMT 22 May 96

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — Any further food aid to North Korea, if done for humanitarian purposes, should remain as such and nothing more, former U.S. Assistant Secretary of State Robert Gallucci said Wednesday.

Such aid should be given under humanitarian considerations only, he said, hinting that the North should not be induced to accept the proposed four-way talks for peace on the Korean peninsula with such incentives as further assistance or the easing of U.S. sanctions.

A recent report from the World Food Program and the Food and Agriculture Organization predicted that the North's food situation would abruptly take a turn for the worst from now until September.

Gallucci, who will be named dean of Georgetown University's School of Foreign Relations next month, was speaking to reporters after giving his keynote speech at

a conference on "Korean Unification Strategies for the 21st Century."

The United States two years ago, when Gallucci was serving as ambassador-at-large for nuclear issues, did consider bombing the Yongbyon nuclear plant in the North as "a contingency plan," he admitted, but decided against it due to the significant risks involved and Washington's preference to negotiate rather than use force.

"North Korea was on a dedicated course for nuclear armament for political objectives," he said. "Had the North proceeded unchecked, they would've succeeded."

He added that the North could have very well carried out its threat of military force had United Nations sanctions been imposed on it.

"The U.S. has vital interests at stake (in Asia) and will protect those interests."

The proposed four-party talks has the "essential core element" — inter-Korean dialogue — and the fact that the proposal is still on the table is significant, Gallucci said.

"It still has life."

On the recent incursion of North Korean soldiers into the Demilitarized Zone, he said, "The DPRK leadership is looking to put the North Korean situation in front of South Korea, the United States, Japan and the world," he said, "they wish to have your attention."

Gallucci downplayed the notion that Seoul and Washington may differ on their approach to the North, though admitting that there have been disagreements over the question of "tactics."

"I can't say that I see anything fundamentally different," he said, adding, "the reunification of Korea is a shared objective."

In his keynote address, Gallucci stressed that the North should not try to break Seoul-Washington relations, but that the South, in turn, should not doubt Washington's commitment to Seoul. Additionally, South Korea, should keep an open and flexible stance on talks with the North, allowing the North to come to the bargaining table with respect and dignity, he added.

In light of the events over the past two years, the North has every incentive to accept the talks, he continued, as time is not on its side.

Beijing, instead of waiting for Pyongyang's lead, should lead the way for the North into the talks, he opined, calling for Russia to continue playing a constructive and supportive role.

ROK: Researcher Views Four-Party Talks, Current DPRK System

**SK2305052096 Seoul YONHAP in English
0501 GMT 23 May 96**

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — Even if North Korea agrees to the proposed four-party talks for peace on the Korean peninsula, it will not accept South Korea as a full participant in the meeting, Dr. Paek Hak-sun, a research fellow at the Sejong Institute, said Thursday.

Pyongyang, which rejected similar proposals for such meetings in 1975, 1977, and 1984, will instead press for diplomatic and economic recognition and security guarantees from the United States before engaging in any dialogue with Seoul, he claimed, with U.S. ties being crucial to the external survival framework drawn up by the North's current regime.

Paek was presenting his paper, "North Korea's Unification Policy," at the conference on "Korean Unification Strategies for the 21st Century" sponsored by Kyongnam University and the American University at the Seoul Hilton Hotel. The Sejong Institute is a private, non-profit organization devoted to the social sciences and Korean reunification.

Unless a sudden collapse of the North occurs, the unification issue for both Koreas will take a backseat to security concerns on the Korean peninsula in the near future, the scholar opined, with Kim Chong-il being forced to focus on more immediate concerns such as his nation's severe economic crisis.

In the long term, Paek said, the North, after stabilization of its domestic crisis, could foreseeably use the unification issue as "an offensive tool" in an effort to preserve the current regime, as internal dissent would likely put pressure on the government for economic and political reforms.

The current system in North Korea, contrary to popular opinion, will survive longer than expected, possibly well into the 21st century, he added, though it may not be under Kim.

ROK: 'Acute' PRC-DPRK Dispute Over 4-Way Talks

**SK2505082996 Seoul CHUNGANG ILBO in Korean
24 May 96 p 9**

[Report by Mun Il-hyon from Beijing]

[FBIS Translated Text] It has been learned that China and North Korea were in acute confrontation with each other recently with regard to whether China will

participate in the four-way talks to discuss Korean Peninsula issues, and that the confrontation was severe enough that North Korea had to apologize to China.

The visit to China on 21 May by Hong Song-nam, vice premier in charge of North Korean economic affairs, to attend economic and trade talks was virtually a visit of apology.

According to a diplomatic source in Beijing, it was just before the presidents of the ROK and the United States proposed the four-way talks in their summit talks that North Korea began getting on China's nerves.

At that time, in a meeting with foreign reporters, including U.S. and Japanese reporters, Choe Han-chun, a counselor in charge of political affairs at the North Korean Embassy in Beijing, stated that "China's participation is not necessary for a solution to the question of the Korean Peninsula." Thus, he raised the "idea that China has no role to play."

China, which had been informed in advance by the ROK and the United States of the four-way talks proposal, was reportedly very much embarrassed by Counselor Choe Han-chun's imprudent remarks, because it believed that a mere counselor would not dare utter such remarks without instructions from his home country.

What made China angry again was remarks by North Korean figures and attitudes apparently disregarding China, which had been heard in succession from Pyongyang, Beijing, and New York.

This notwithstanding, China reportedly advised North Korea, through diplomatic channels, to positively review the four-way talks proposal.

However, it has been learned that the Chinese leadership became extremely angry at learning that the North Korean side had denounced China, saying "do not edge into another person's affairs," and at receiving information that some high-ranking circles in Pyongyang had gone so far as to say that "The chinks [racial slur against Chinese] have colluded with South Korea for money."

A decisive reason for China's anger was the fact that the official statement released on 7 May by the spokesman of the North Korean Ministry of Foreign Affairs stated that "Though some countries have called for us to accept the four-way talks proposal, this will only make the situation more complicated." This statement was viewed as implicit criticism of China.

The Chinese Government immediately expressed deep displeasure about this and sent a strong warning message, stressing that "If [North Korea] persistently attempts to exclude China, relations between the two countries will be seriously damaged."

It has been learned that finding such a deterioration in China's attitude, North Korea immediately expressed regret, saying "Our assertion was misquoted," thus apologizing in a roundabout way.

On 22 May Vice Premier Hong Song-nam openly expressed thanks to Premier Li Peng for China's economic assistance to North Korea. This could be interpreted as a sort of apology.

ROK To Push Ahead Four-Way Talks Despite Recent Incidents

*SK2505043196 Seoul KYONGHYANG SINMUN
in Korean 25 May 96 p 2*

[By reporter Yi Pyong-kwang]

[FBIS Translated Text] Despite a series of recent incidents, such as the defection of a North Korean MiG fighter and the North Korean Naval boats' intrusion across the northern borderline, the government on 24 May reconfirmed its position that it will push ahead with the four-way talks on the Korean peninsula as scheduled.

However, the government decided not to make concessions for the materialization of the four-way talks even if North Korea demands the return of Captain Yi Cholsu, the North Korean MiG pilot, or shift the blame onto our side for the intrusion of its ships across the northern borderline.

A government official concerned on that day said: Although this series of recent incidents may create an obstacle to the inter-Korean relations, we will make efforts for the realization of the four-way talks as we planned before. However, we will deal with the four-way talks and the MiG defection as entirely different matters.

The official said, "It has been clearly proven by his testimony that the MiG pilot, Capt. Yi, voluntarily defected to the South because of his disgust of the North Korean system. Whatever demand North Korea may make, Capt. Yi will follow the proper procedures for securing political asylum according to the international law." He stressed that Capt. Yi's defection cannot be an object of negotiation.

Therefore, the government decided to convey to the U.S. side through a diplomatic channel its position that the proposal for the explanatory meeting for the four-way talks is still valid and that the ROK Government will continue its efforts for its realization.

Another government official stated: The ROK and the United States proposed the four-way talks without any

precondition, therefore, North Korea should not attach any condition, either.

ROK: Government Opposes Separate DPRK-U.S. Contacts

**SK2605030096 Seoul SEOUL SINMUN in Korean
26 May 96 p 2**

[Report by Ku Pon-yong]

[FBIS Translated Text] On 25 May, North Korea hinted that it would refuse the joint explanation session by the ROK and the United States on the four-way talks. Concerning this, the government has decided to resolutely oppose separate contacts between the United States and North Korea to discuss the issue of the peace regime on the Korean peninsula prior to the four-way talks.

A relevant government official stated that "through NODONG SINMUN, North Korea showed its intention to exclude our side from participating in the explanation session by expressing its wishes to hear the explanation about the four-way talks from the U.S. side alone. Thus, North Korea has shown its attempt to break up the ROK-U.S.-Japan cooperation. Our side will never allow such attempt to be realized."

Earlier, on 24 May, North Korea's NODONG SINMUN criticized the ROK-U.S.-Japan high-level policy consultation meeting held in Cheju on 13-14 May. Thus, North Korea showed the position of rejecting the ROK-U.S. joint explanation meeting pertaining to the four-way talks.

ROK: Richardson Notes 'Severe Food Shortage' in DPRK

**SK2905035296 Seoul YONHAP in English
0338 GMT 29 May 96**

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — U.S. Congressman Bill Richardson (Democrat-New Mexico), having returned from a three-day stay in North Korea, warned Wednesday of a severe food shortage in North Korea.

"Frankly, I was struck by the evidence of the seriousness of their situation and their sincere desire for help in dealing with it," he told reporters at Kimpo International Airport just before leaving for Washington.

Richardson and his delegation traveled to the North to finalize last month's agreement on repatriating the remains of American servicemen killed during the Korean war.

The congressman said that the North's food situation is of such high priority to Pyongyang that they will find it

"difficult, if not impossible," to address other concerns until a way to deal with the food crisis is drawn up, adding that he believed Kim Chong-il to be in control.

Though North Koreans officials were "non-committal" when asked about the proposed four-way talks for peace on the Korean peninsula, he said he remains hopeful that such a response would lead to acceptance.

The House of Representatives minority deputy whip said he would brief the details of his trip to the White House upon his return to the United States. He had been briefed over breakfast with officials from the South Korean Foreign Ministry in the morning.

Alan Liotta, deputy director of the State Department's POW/MIA desk who accompanied Richardson to North Korea, said that last month's agreement calls for a technical logistics meeting in June, with experts from both countries to address such issues as the location of the first recovery operation and the number of personnel involved.

"The North Koreans indicated to us very firmly that they're prepared to move ahead with this meeting," he noted, adding that officials there placed a high priority on the MIA issue during the delegation's visit and promised to adhere to the agreement.

Liotta said he hoped to have the first recovery operation begin before October, before the severe winter in the North hampers the project.

The U.S. delegation was taken to a potential recovery site where an American plane had reportedly been shot down, Richardson said, a first for Americans to visit such a site since the end of the Korean war.

"For me, it symbolized their commitment to move forward with this important humanitarian mission," he said.

ROK: DPRK Asserts, U.S. Denies Direct Military Talks in 1995

**SK2505084996 Seoul YONHAP in English
0812 GMT 25 May 96**

[FBIS Transcribed Text] Seoul, May 25 (YONHAP) — North Korea has claimed that preparatory talks for a U.S.-North Korea general-grade officers' meeting were held in May-September last year.

A government official said Saturday a memorandum issued last March by the People's Army Panmunjom delegation, asserted that there was a U.S.-North Korea military contact at Panmunjom in May last year to discuss the issue of ensuring peace on the Korean Peninsula.

As a result of the contact, it said, working-level talks for a U.S.-North Korea general-grade officers meeting had been held through September when it argued the talks were broken up by the United States.

A source at the United Nations Command in Korea denied any direct U.S.-North Korea military talks, saying military contacts took place between the United States and North Korea only within the framework of the Armistice Agreement.

ROK: U.S. To Decide on Rice Aid to DPRK 'Next Week'

SK3105002196 (Internet) The Joong-Ang Ilbo WWW in English 31 May 96

[FBIS Transcribed Text] A spokesman of the US Department of State said Wednesday that "Washington will decide on whether or not it will provide additional rice aid to North Korea in accordance with the appeals for help it received from the United Nations and the World Food Program (WFP)", and strongly hinted at the possibility of providing North Korea with relief assistance.

The spokesman made the statement at a regular briefing and said, "the final decision will be reached sometime next week after reviewing a report on North Korea's food shortage situation which WFP plans to announce in the near future." He also added that "Washington will consult with its allies including South Korea and Japan if it decides to provide rice aid to Pyongyang."

ROK: DPRK Sends 'Reserved Military Provisions' to Provinces

SK3005151996 Seoul CHUNGANG ILBO in Korean 30 May 96 p 2

[By reporter Choe Won-ki]

[FBIS Translated Text] A government official revealed on 29 May that North Korea has released reserved military provisions to four regions — North Hamgyong Province, Chagang Province, Yanggang Province, and North Hwanghae Province — which have recently been suffering from serious food shortages.

Quoting an intelligence source on the North, this official said: "It has been confirmed that recently, upon orders from Kim Chong-il, the North Korean authorities released an unidentified amount of reserved military provisions to the four regions. It seems that North Korea released the reserved military provisions taking into account the amount of grain it will soon receive from abroad." The volume of reserved military provisions which North Korea released has not been confirmed but it is being estimated at about 25,000 tonnes.

According to international organizations, the number of North Korean flood victims totals 500,000 people and they receive rations of 250 grams daily. Regardless of its food shortages, North Korea has been preparing for war, thus it has reserved about 1.2 million tonnes of military provisions, equivalent to 120 days of provisions.

The Ministry of National Unification has concluded that when considering the volume of grain it has secured, it seems that the worst situations, such as large-scale famine, will not occur in North Korea until mid-August.

ROK: Editorial Criticizes DPRK Refusal of Rice Aid Dialogue

SK2105002796 (Internet) The Digital Chosun Ilbo WWW in English 1224 GMT 20 May 96

[Editorial: "Whom to Blame?"]

[FBIS Transcribed Text] U.S. Government officials and experts may perhaps see us as inhumane and devoid of brethren love regarding the North Korean rice assistance issue. If the North Korean brethren are in hunger, the prime responsibility should be sought in North Korea's political system and agricultural policy. If the U.S. blames only us for not helping the North Koreans, it is not driven by humane, but by political motives. Instead of pointing the finger at us, we should first of all ask why the North Korean regime is intentionally evading ways to provide food assistance, which is through dialogue instead of war threats. Is such a regime entitled to assistance? If giving unconditional rice to such a regime is humane, there is no such humanism in the world.

We are not flatly refusing to give rice to North Korea. We repeatedly announced that if North Korea stops slandering us, begins dialogue, and officially requests assistance to the South Korean government, we will provide it. Even though we may try to give them assistance, we cannot because North Korea does not recognize our government, pursuing a unified front strategy toward the South. Members of our society, the so-called "humanists full of brethren love," say that even when slapped on the cheek we have to help our starving brethren. We don't understand why they don't ask the North Korean regime why they can't save their people from starvation at the cost of bowing once?

Slanted humanism is simply not persuasive. Comparing South and North Korea, who carried out the more humanitarian policies? The South is seeking peace through dialogue, after having driven out poverty through effective economic growth policies, or the North which is trying to solely preserve its current dictatorial system, leading their economy into shambles and creating bellicose environment? The answer is self-evident.

Despite such a situation, our stance is being wrongly perceived. Blame should be placed in part to the unsatisfactory public relations effort made by the government, and partly to the irresponsibility and incoherence of the people speaking out on this issue. We should give more effort to communicating our real intentions and the reality of the situation to the world.

ROK: DPRK Reportedly Lists Foreign Projects in Najin-Sonbong

*SK2205105796 Seoul YONHAP in English
0944 GMT 22 May 96*

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — North Korea has announced, through a UN agency, a preliminary list of 58 foreign investment projects to be launched at a total cost of 439.94 million U.S. dollars in the Najin-Sonbong free economy and trade area, NAEWOE press reported Wednesday.

The list, which Pyongyang released through the UN Industrial Development Organization before an international forum on foreign investment in the free trade area is held in the area Sept. 13-15, includes 23 high-tech manufacturing projects, 10 garment projects and seven food processing projects, the official North Korea watcher here said, citing the latest issue of the CHOSON SHIMBO, the official newspaper of Chochongnyon, the pro-Pyongyang organization of Korean nationals residing in Japan.

In the international forum, Kim Chong-u, chairman of North Korea's External Economic Cooperation Promotion Committee, will explain about the list.

Noteworthy in the list are a 50-million-dollar project to build a factory capable of producing annually 24 million IC chips, a 19.8-million dollar project to build a mill capable of producing annually two million winter overcoats and 1.5 million windbreakers and a 15-million-dollar project to build a color television assembly line capable of producing annually 100,000 sets.

The list will be finalized through discussions with the UN Development Fund in late June, and the final list will contain some 90 projects.

Thirty-three companies from the United States, the United Kingdom, The Netherlands, Thailand and other countries have already agreed to invest in the Najin-Sonbong free trade area, the newspaper was quoted as saying.

ROK: U.S. Issues Visa to Former North Korean Guerrilla

*SK2905082096 Seoul YONHAP in English
0810 GMT 29 May 96*

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — Former North Korean guerrilla Yi In-mo, who was sent to North Korea in March 1993 after spending decades behind bars in South Korea for refusing to convert, will soon arrive in the United States for medical treatment, a Foreign Ministry official said Wednesday.

"The United States Government recently issued an entry visa for Yi from humanitarian standpoint," the official said.

"Yi is on a flight which departed Narita International Airport for New York at 4 PM," he said.

The Seoul government returned Yi, 79, to North Korea immediately after President Kim Yong-sam took office as a gesture to solicit friendly relations with the Pyongyang government, although it did not result in a favorable response from the North.

ROK: Former DPRK Guerrilla Fighter Yi In-mo Arrives in New York

*SK3005011896 Seoul YONHAP in English
0109 GMT 30 May 96*

[FBIS Transcribed Text] New York, May 29 (YONHAP) — Yi In-mo, an aged North Korean guerrilla fighter repatriated to North Korea in 1993 after decades behind bars in South Korea, arrived in New York via Tokyo Wednesday afternoon to undergo medical treatment.

Upon arrival at John F. Kennedy International Airport aboard Northwest Airlines flight 018 at around 3:15 PM, Yi was welcomed by a number of North Korean officials including ambassador to the United Nations Kim Hyong-u. He immediately went to the North Korean Mission here by car for temporary lodging.

Yi was accompanied by his physician Yi Kun-yong, a nurse and three others.

Yi will soon be admitted to the Mt. Sinai Hospital here for a comprehensive medical checkup and lung disease and pulmonary sac treatment, according to reliable sources.

A member of Yi's entourage said at the airport, "Since he is quite exhausted from the long trip, Yi will get some rest at the mission and will then be admitted to a hospital where reservations have been made." He declined to disclose other details.

As to reasons why Pyongyang has chosen New York for Yi's medical treatment, diplomatic sources here proposed two possibilities: New York is adequate for symbolically displaying Pyongyang's improving relations with the United States, and, with the United Nations headquartered there, Yi's prisoner-of-war treatment in South Korea can be effectively propagandized.

In the past, North Korea sent its dignitaries to Paris for medical treatment.

ROK: Article on Meaning of U.S. Granting Visa to Yi In-mo

*SK3105081996 Seoul CHUNGANG ILBO in Korean
30 May 96 p 3*

[Article by reporter Pae Myong-pok: "The Meaning of the U.S. Government's Allowing Yi In-mo's Visit to the United States"]

[FBIS Translated Text] Yi In-mo, a North Korean guerrilla fighter who was repatriated to North Korea after decades of imprisonment in South Korea for refusing to discard his communist beliefs, arrived in the United States on 29 May for medical treatment. Yi In-mo is the first North Korean civilian to whom the United States has issued an entry visa for medical treatment.

The U.S. Government's issuance of entry visas to North Koreans has increased remarkably in recent years as a result of brisk negotiations between North Korea and the United States on improving their relations. However, these entry visas have been confined to North Korean diplomats, government officials, and scholars who attended seminars held in the United States.

In view of such a fact, it is observed that the U.S. Government's step to grant entry visas to Yi In-mo and his four-member entourage and permit him to receive medical treatment in the United States can be hardly viewed as a merely humanitarian step. In other words, observers maintain that this step by the U.S. Government at this time may imply a political consensus reflecting the current atmosphere of North Korea-U.S. relations.

In particular, the fact that it is none other than Yi In-mo who has received an entry visa from the U.S. Government may involve a possibility that could beget a different interpretation.

Yi In-mo was a North Korean guerrilla fighter who refused to discard his communist ideology while imprisoned in South Korea for 34 years. After his repatriation to North Korea, he received warm treatment from Kim Il-song and was highly esteemed in North Korea as "a hero who struggled against the South Korean puppets to the end."

The fact that the U.S. Government has issued an entry visa to Yi In-mo, a figure who is burdensome for South Korea, at a time when the improvement of North Korean-U.S. relations and U.S. moves to further alleviate its economic sanctions against North Korea have become hot issues is definitely an extraordinary "move."

It was learned that, prior to Yi In-mo's visit, the U.S. Government notified our side of its plan to issue entry visas to Yi In-mo and his entourage. However, it was also learned that the content of that notice was tantamount to a unilateral message effectively telling our side, "You are informed that we will grant an entry visa to Yi on a humanitarian basis."

This notwithstanding, the Ministry of Foreign Affairs stated: "The U.S. side sounded out our side on this matter, and we answered that we had no objection in view of humanitarianism." Thus, the Ministry of Foreign Affairs played the innocent.

In other words, the Ministry of Foreign Affairs insists that the U.S. side had prior consultations with our side on this matter. It goes so far as to state: "Considering the fact that our government has already agreed on the establishment of liaison offices between North Korea and the United States and that mutual personnel visits and exchanges between North Korea and the United States are sharply increasing as well, there is no reason for us to question the visas issued by the U.S. Government on a humanitarian basis."

However, considering the symbolic meaning of the visit to the United States by Yi In-mo, who was an uncovered, long-term communist prisoner in South Korea, and considering the strained relations prevailing in recent years between the North and the South, the fact that our government consented to the U.S. granting visas for Yi In-mo and his party "from the viewpoint of humanitarianism" hardly convinces us.

It is only too clear that North Korea will make maximum use of Yi In-mo's visit to the United States for its political purposes. Yi In-mo's visit to the United States will also become excellent material for North Korea's propaganda activities on the improvement in human rights in North Korea and on progress in North Korean-U.S. relations.

In view of such a situation, it is clear that the U.S. granting of an entry visa to Yi In-mo was a unilateral step taken by the U.S. Government and that it had nothing to do with our government's consent.

The U.S. Government's granting of visas to the North Koreans at a time when delicate differences between the ROK and U.S. views on the four-way talks for

peace on the Korean peninsula, the issue of providing food aid to North Korea, and the question of North-South relations are emerging can be viewed as a signal predicting earnest progress in North Korea-U.S. relations. At the same time, this can be viewed as an expression of the U.S. Government's displeasure over the ROK Government's present policy toward North Korea.

ROK: Editorial Sees U.S. Policy on DPRK 'Changing'

*SK3105015696 (Internet) The Digital Chosun Ilbo
WWW in English 1150 GMT 30 May 96*

[Editorial: "The Second Act of Yi In-mo's Show"]

[FBIS Transcribed Text] Yi In-mo is not a pleasant person for us or the U.S. to deal with. When we repatriated Yi to North Korea in March 1993, we didn't expect the North to use him as an instrument of political propaganda. We expected a reciprocal action by the North such as returning our fishermen who had been kidnapped, but, instead, North Korea used him to further deteriorate North-South talks until former U.S. President Carter visited Pyongyang in 1994. Two days after Yi In-mo's repatriation, North Korea threatened to withdraw from the Non-Proliferation Treaty (NPT) and made things difficult for the U.S. until the Geneva nuclear agreement was signed in October 1994.

Yi In-mo arrived in the U.S. in order to be treated for heart disease. It is very symbolic of the change in U.S.-North relations that Yi In-mo arrived in the U.S. for treatment and that the U.S. accepts him. Until now, North Korean VIPs have usually been treated in places like East Germany, Yugoslavia, Romania, and France. So it can be seen that Yi's visit to the U.S. is an act to demonstrate that there has been a change in U.S.-North Korean relations.

The Clinton administration, in accepting Yi In-mo, may use him to demonstrate that the Geneva agreement, including the freeze on North Korea's nuclear facilities, is proceeding smoothly. Maybe the Clinton administration sees this as an opportunity to change from a policy of deterrence to engagement with North Korea and to concentrate more on humanitarian projects. At least until elections in November, the U.S.' North Korean policy may be progressive and full of carrots. Meanwhile, our government's act to repatriate Yi unexpectedly ends up like this.

Yi In-mo's treatment in the U.S. is not only for the ailment, but it is also high-level political propaganda. Regarding Yi In-mo, it is possible that both the Kim Chong-il's regime in the North and the Clinton administration in the U.S. have common purposes in wanting

to manipulate this incident against each other. We have to study the choices we are going to make, taking time to monitor the trend between the U.S. and North Korea closely, especially happenings while Yi In-mo is in the U.S. Yi In-mo's trip to the U.S. symbolically shows us that the Clinton administration's North Korean and Korea peninsula policy is clearly changing.

ROK: New Russian DPRK Envoy Warns Against 'Pressure' on DPRK

*SK2105062696 Seoul YONHAP in English
0535 GMT 21 May 96*

[FBIS Transcribed Text] Seoul, May 21 (YONHAP) — South Korea and its allies should not put pressure on North Korea but take measures to help the North improve its economic situation if they want positive steps from the North on inter-Korean political dialogue, a senior Russian diplomat insisted Tuesday.

"In the long-term, as it seems, there might be certain positive steps from the side of Pyongyang concerning the question of political dialogue with the republic of Korea," said V. Denisov, deputy head of the Asian Affairs Bureau of the Russian Foreign Ministry, in a paper which will be delivered at a seminar Wednesday.

Such positive steps, however, can only take place if there is progress in improving the economic situation of North Korea and in the negotiating process with the United States, the Russian diplomat said.

Denisov arrived in Seoul Sunday to attend the international conference on Korean unification strategies for the 21st century, organized by Kyongnam University and the American University.

An expert on Korea within the Russian Foreign Ministry, Denisov will soon fly to Pyongyang to assume his new post as Russia's ambassador to North Korea.

"Putting pressure and even using force in the matter of unification of Korea is unacceptable, because it can have disastrous results not only for the two Korean states, but also for the whole region," he said.

Denisov warned against putting diplomatic, political or any other kind of pressure on North Korea to coerce concessions.

"Such an attitude appears to have little chance of success and is fraught with unpredictable consequences," he said. "The most suitable course of action on the Korean peninsula is to sort out the negotiation process. It is this course that Russia has been following and is going to continue asserting in its Korean policy."

The Russian official said that attempts in some circles to undermine Russian-North Korean ties will damage the interests of security on the Korean peninsula.

"At the same time, we are convinced that the deliberate efforts of the Russian Federation and the Republic of Korea to actively develop a partnership that can help create the necessary conditions for stability on the Korean peninsula."

In another paper which released one day before the conference slated for Wednesday and Thursday at the Seoul Hilton Hotel, Director David Brown of the U.S. firm Stanton Group also stressed the need for the Seoul and its allies to support reformers in Pyongyang rather than rely on the deterrence policy which has maintained peace and stability on the peninsula for decades.

Brown, whose business group is greatly interested in expanding business links with North Korea, said that the core of the internal debate, underway for the past years within the regime in Pyongyang, is the "degree and the pace of the DPRK's opening to international market."

"The internal debate seems by and large to have been resolved in favor of a strong effort to shift to export-led economic development," said Brown, who served until last year as the director of the Korea desk at the U.S. State Department.

South Korea and its allies, therefore, "should not get caught up in counterproductive, zero-sum move and counter-move," he said, urging Seoul to ignore occasional provocations by Pyongyang.

"Instead, confident in the strength and integrity of our own economic and political systems, we need to keep our eye on the longer-range objective."

When the North respects the armistice and military detente; openness and dialogue and conformity to international norms, "we should respond promptly by reducing current curbs on political, economic and especially business relations with the North."

Brown also urged Seoul, Washington and Tokyo not to treat trade and investment possibilities as a reward for North Korea's good behavior in other spheres.

"Holding them hostage to unrelated events may force us to back away from business ventures that can draw North Korea steadily into constructive dealings with the West and, especially, the ROK," he said.

"We should not be discouraged when dialogue stalls at the government-to-government level," Brown said. "Dialogue can follow many channels and take many forms."

"This is a time for bold initiatives. The ROK is rich in economic and moral strength. The time to begin to repair the tragic division of your homeland is at hand; there may never be a better chance to achieve a smooth landing."

ROK: Russian Diplomat: DPRK Ready To Begin War in 1975

*SK2205111696 Seoul YONHAP in English
0719 GMT 22 May 96*

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — North Korea was ready to begin a war on the Korean peninsula in 1975 just after the collapse of Vietnam but decided against it after it failed to get the support of the former Soviet Union, a senior Russian diplomat said Wednesday.

"As you remember, in 1995, Kim Il-song visited China. He indicated that they were ready to begin a war," according to Valeriy Denisov, deputy director general of the Russian Foreign Ministry's Asian Affairs Bureau.

"I don't know what the response of the Chinese Government was. But the Soviet Union never supported the military revolution method of unifying the Korean peninsula," Denisov said while speaking at seminar on Korean Unification Strategies for the 21st Century Organized by Kyongnam and the American University.

Denisov was responding to a question about whether or not Russia has traditionally backed Pyongyang's military aggression.

ROK: DPRK Opium Dealers Caught in Trafficking in Russia

SK2905074596 Seoul KBS-1 Television Network in Korean 1200 GMT 28 May 96

[Russian passages within slant lines translated from Korean subtitles]

[FBIS Translated Text] It is a known fact that North Korea has been involved in drug trafficking and dollar note forgery in foreign countries. The actual footage of the scene of the crime was never available to the public. KBS recently obtained vivid video footage of the capture by the Russian police of a North Korean opium traffickers ring in Vladivostok. Yu Sung-chae reports from Tokyo.

[Begin recording] [Unidentified Russian policeman] / Move further forward and stop./

[Yu] [Video shot from inside the police car shows farm] Tipped off on 1 May about opium dealers, a narcotics

team of the Russian police raided a farm on the outskirts of Vladivostok inhabited by a group of North Korean workers. [Video shows Russian policemen beating North Korean workers] A North Korean escapes. A hiding North Korean is being arrested at a greenhouse.

[Russian policeman] /What is your name?/

[North Korean worker] /I do not know./

[Russian policeman] /Are you Kim Man-chong?/

[Another Russian policeman] /What is this? Money — it smells like opium./

[Yu] A large sum of money and opium were found in the man's pocket.

[Russian policeman speaking to an unidentified Russian woman] /Smell it. It is opium, is it not?/

[Yu] Apparently, the man is a cadre, as he was wearing a Kim Il-song badge. North Korean passports and portraits of Kim Il-song and Kim Chong-il were found inside the farm, indicating that this was no simple ring. The Russian police believe that the Mafia leader in Vladivostok is a North Korean, and that this group imports and sells opium. [Video shows handcuffed North Koreans] [End recording]

ROK: DMZ Exclusion From World Ban on 'Dumb Mines' Questioned

SK2105064696 Seoul HANGYORE SINMUN in Korean 19 May 96 p 3

[Editorial: "Danger of 'Dumb Mines' on the Korean Peninsula"]

[FBIS Translated Text] On 16 May, U.S. President Clinton announced that so-called "dumb mines" would be completely banned with two exceptions — U.S. troop training and deployment on the DMZ. "Dumb mines" are those that do not disarm or destroy themselves after a predetermined period, resulting in an enormous loss of human life. At a May 3 meeting in Geneva, the International Conference on Conventional Weapons, representatives from 53 countries adopted the "Treaty Limiting the Use of Antipersonnel Mines," even though it stopped short of formally banning them. In addition, many U.S. civic groups have urged the U.S. Government to completely abolish antipersonnel mines, which are barbarous and terrible weapons. Apparently yielding to public pressure, the U.S. Government has decided that "dumb mines" will be completely banned, while excluding so-called "smart mines" that destroy themselves after a certain period of time from such a measure.

These barbarous land mines have been the subject of fear as they continue to kill people indiscriminately

even after a war. Victims are mostly civilians and, among them, children suffer the most. In such areas as Cambodia and Afghanistan, where vicious civil wars have taken place, civilians have had their hands and legs blown off and have died by these land mines, turning many of these places into wastelands that cannot possibly be rehabilitated.

We are stunned and express deep regret over the fact that such terrible "dumb mines" are banned worldwide except on the Korean Peninsula. The U.S. Government said that "because of its military purpose of deterring North Korean aggression, we cannot but exclude the Korean Peninsula." However, it is questionable whether countless "dumb mines" buried under DMZ areas are the most effective means to deter the North's aggression; whether they cannot be replaced with "smart mines" whose explosive power lasts for a certain period of time; and whether modern equipment, such as early warning systems, could heighten the guard on the DMZ, instead of "dumb mines." We also wonder whether all the options were generally reviewed before such a conclusion was reached. However, most of all, we should examine whether such a policy was mapped out on the basis of respect for human life. Concerning this point, we should not only entrust it to the United States. Our government should clearly convey our stance by mapping out a counter plan. The areas in which land mines are buried are important places that are sure to link the North and South when the nation is reunified. If costs and time take much to eliminate land mines, we should map out a long-term plan from now on and take appropriate measures accordingly.

ROK: More on Initialing of KEDO-DPRK Protocol Agreement

SK2305070896 Seoul YONHAP in English 0641 GMT 23 May 96

[FBIS Transcribed Text] New York, May 22 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea initialed a diplomatic privileges, immunities and consular protection protocol here Wednesday, KEDO announced.

The protocol is the first of some 10 follow-up documents to be prepared in support of the light-water reactor supply contract signed last December.

Under the protocol, KEDO will enjoy diplomatic privileges and immunities similar to those granted to international organizations like the United Nations, and KEDO staff and government representatives from member countries will be accorded privileges and immunities similar to those given diplomats.

KEDO-dispatched technical manpower (employees of prime contractor Korea Electric Power Corp. and technical personnel of sub-contractors) will be granted privileges and immunities identical to those granted KEDO staff with regard to property, assets, income and activities.

For the sake of safety and protection, the protocol exempts personnel sent by KEDO from being arrested and detained by the North Korean law-enforcement authorities. KEDO will be responsible for maintaining order at the reactor construction site.

Construction personnel sent by KEDO will be permitted to pass specified entrance and departure points in North Korea without a visa.

KEDO and North Korea concluded their negotiations on the diplomatic privileges, immunities and consular protection protocol in seven weeks after initiating them in New York on April 4.

ROK: South Korea To Join International Monitoring System

*SK2205042196 Seoul YONHAP in English
0248 GMT 22 May 96*

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — South Korea Wednesday decided to join the international monitoring system that is aimed at implementing the Comprehensive Test Ban Treaty (CTBT), which is expected to be signed by the end of the year, a Foreign Ministry spokesman said.

The Foreign Ministry recently informed the Conference on Disarmament (CD) Secretariat of its decision to take part in the third technical test of a group of scientific experts which will soon be undertaken by the CD International Monitoring System (IMS), the spokesman said.

The government will contribute to the establishment of the monitoring system by providing the CD with data collected by the Korean Seismic Research Station, he said.

It also hopes that the international data provided by the CD will help the country accumulate the technology necessary for detecting nuclear tests in neighboring countries.

ROK: Pupyong Civilians Demand Relocation of U.S. Army Base

*SK2605112296 Seoul HANGYORE SINMUN
in Korean 26 May 96 p 17*

[Report by Kim Yong-hwan in Inchon]

[FBIS Translated Text] A civil movement has started to collect 100,000 signatures to retrieve the land currently used by the U.S. Army in the center of Pupyong in Inchon, posing an obstacle to the development of the city.

In a signature drive to retrieve the U.S. Army base site, the Civil Cultural Center of Peace and Participation run by Father Hong Hyon-ung collected more than 2,000 signatures on 23 and 24 May in front of the Pupyong Station and Tongam Station. The organization continued the signature drive in front of Tonga City Department Store on 25 May.

The Civil Cultural Center and other civil organizations will continue the signature drive near the Pupyong U.S. Army base until they collect more than 100,000 signatures, and will deliver the signatures to the Inchon Municipal Office, the Ministry of National Defense, and the National Assembly.

The Inchon Federation of Democratic National Reunification and other dissident and social groups held a meeting on 23 May on the movement calling for the relocation of the U.S. Army base, and agreed to launch a preparatory committee to form the "Civil Gathering to Retrieve Our Land Being Used by the U.S. Army" on 27 May. An inauguration ceremony will be held in early July, after which the movement to relocate the U.S. Army base will be actively conducted.

The Pupyong U.S. Army base Camp Market [name as transliterated] was built after the Korean war. It spans 161,000 pyong of land [one pyong equals 3.3 square meters] in the center of the downtown area between Pupyong-tong and Sangok-tong. A road construction plan has been scrapped at the objection of the U.S. Army. The Army base has been an obstacle to the development of Inchon.

The Pupyong Ward Office proposed to move the U.S. Army base in July 1995, and drew up a plan to transform 100,000 pyong of the site into a park through an investment of 152.6 million won.

ROK Said To Join Convention Banning Chemical Weapons

SK2605005096 (Internet) The Joong-Ang Ilbo WWW in English 26 May 96

[FBIS Transcribed Text] It is expected that South Korea will officially join an international convention on banning chemical weapons (CWC) sometime in August. CWC bans the production, exports and sales of chemical weapons between nations. The South Korean Government and the ruling New Korea Party (NKP) held a meeting Saturday and decided to officially present a bill on ratifying the agreement to join the CWC to the 15th National Assembly early next month, and to proceed with procedures to join the organization as soon as the bill is approved.

ROK: Defector Acquitted of National Security Law Violation

SK2305003796 (Internet) The Digital Chosun Ilbo WWW in English 1158 GMT 22 May 96

[FBIS Transcribed Text] Kim Hyong-tok, age 22, a North Korean defector who tried recently to re-enter his country, was acquitted on charges of violating the National Security Law on Tuesday. However, for violating the North-South Communication and Cooperation Law by trying to return to North Korea without the permission of government authorities, he was given a two-year probation period during which time he would be sentenced to eight months imprisonment if further problems arose. The district court of Seoul said that he had been experiencing financial hardship and simply thought that if he could bring his family back to South Korea, they would be welcomed.

Kim was caught last February 3 aboard a ship in Inchon which was heading for China with \$14,000. The prosecutor had suggested a sentence of three years of hard labor.

ROK: Editorial Criticizes NKP's Majority

SK2105010496 (Internet) The Digital Chosun Ilbo WWW in English 1226 GMT 20 May 96

[Editorial: "Creating a Majority"]

[FBIS Transcribed Text] The ruling party succeeded in acquiring a majority in the National Assembly. Possible justifications behind their hasty actions being the difficulty in pursuing government policies without a majority, political maneuvering being the way of politics and that since the independents were originally trying to run on the North [as received] Korean Party ticket anyway, they see nothing wrong with incorporating them into the party platform. Behind these justifications

is implicit the fact that Kim Tae-chung and Kim Chong-pil followed the same actions when they created their own parties.

This may be so from the ruling party's standpoint. But there are also other aspects to the actions carried out by the government such as pressuring of candidates to enter into the ruling party, the hypocrisy of those who changed their party affiliation, and breaking of promises.

It is only basic courtesy to give people enough time and explanation before changing party affiliation. They have completely ignored to do this, and even before the new assembly has convened. People have been made to feel neglected, creating bitter feelings toward the government's actions, and such bitterness is on an entirely different plane from the governments' inevitability of invitation justification.

Of course, we are not completely agreeing with the political counter-games of the opposition party, who are on the other side of the invitation. Their intentions and political strategy, including non-parliamentary struggles will be criticized by us on different levels. But at this moment, we are at loss as we see cooperation destroyed by the government party's unreasonable creation of majority that has instigated opposition party's belligerent reaction, making the political situation a destructive and uncooperative political environment. In this regard, the government party should learn that softness is strength and not solely rely on logic of fighting and suppressive sentiments.

ROK: Article: Possibility of Yi Hong-ku as Next President

SK3105061096 Seoul CHUGAN CHOSON in Korean 30 May 96 pp 8, 9

[Article by Kim Min-pae]

[FBIS Translated Text] "People call you a caretaker chairman, what do you think?" This was the question Yi Hong-ku received from reporters after President Kim Yong-sam designated him the new chairman of the New Korea Party [NKP] on 7 May. The question has followed him since.

On 18 May, his 12th day in the chairman's office, Yi invited about 40 reporters to a garden party at his house in Yoksam-tong. He was asked the same question, this time with a tag added: "Do you feel bad being called a caretaker?" The question implied he could be something more than a caretaker.

Chairman Yi has been chairman of the NKP for only two weeks, and people keep questioning about his position.

Most people still believe Chairman Yi is a caretaker, which means he is a symbolic figure without real power. In fact, Chairman Yi does not have followers, which are essential to a presidential race. He does not have any shield or regional background.

However, people keep asking, "Is Chairman Yi really a caretaker?" Even those with the Reunification Democratic Party [RDP] faction, who are supposed to be informed about the ruling circles, ask the same question. A number of incidents support the question.

The first was the designation of seven special assistants. A few days after Yi was elected chairman, President Kim "bestowed" on him seven special assistants comprising five lawmakers-elect and two others from outside the National Assembly. It is unprecedented for a party chairman to have seven special assistants. The post of special assistant was created when President Kim was the presidential candidate of the former Democratic Liberal Party. The post was eliminated later when President Kim assumed office.

The second incident was Chairman Yi's first weekly report to Chongwadae [presidential offices]. On 16 May, spokesman Kim Chol briefed reporters on the first weekly report, saying President Kim asked Chairman Yi to do his best to "develop a policy that reflects the people's aspirations for the presidential election." The remarks reflect President Kim's will to support Chairman Yi more than others.

The third incident was Chairman Yi's talk show interview with the Christian Broadcasting System [CBS] on 13 May. Chairman Yi stated, "In principle, it is desirable to decide the next presidential candidate through an election. The timing should be in mid-1997 at the earliest." Then he suggested July to August 1997. This is the first time President Kim's intentions about the next presidential election was revealed through Chairman Yi. People had believed the candidate election would be around May 1997.

The fourth incident was the appointment of Sin Ki-sop as the assistant. Assistant Sin is one of the leaders of the RDP faction. He assisted Pak Chan-chong during the general election and worked for Pak for two months. He was suddenly appointed Chairman Yi's assistant. Pak Chan-chong learned about Sin's appointment afterwards. This was again interpreted as President Kim's support for Yi. Yi's broad range of activities, including visits to the Buddhist Chogye Order and to those who failed in the general election also arouse questions about his position.

Of course, Chairman Yi and core party leaders try to avoid this view. Party leaders explain that the

considerations are of normal level and that the steps were taken for Chairman Yi to properly carry out party work. However, people keep paying attention to Chairman Yi because his "special relations" with President Kim are being revealed little by little.

At the end of the Sixth Republic, then President No Tae-u transferred Yi Hong-ku, then presidential special assistant for political affairs, to the post of ambassador to the U.K. Kim Yong-sam's aides openly denounced No for this, saying: "President No is upset because he heard Kim Yong-sam doted on special assistant Yi." The words "doted on" plainly reflect President Kim's consideration for Yi. Since President Kim took office, Yi has ascended all the way to prime minister and today's post.

President Kim's "love for Yi Hong-ku" is amplified by the fact that no other man in the party is more favored by President Kim. The RDP faction may have figures suitable for the next presidential candidate, but not for the next president. Relations between Yi Hoe-chang, chief campaign manager, and President Kim are still said to be "uncomfortable." President Kim does not "love" former legislator Pak Chan-chong, and his relations with Yi Han-tong, vice speaker of National Assembly, are known to be "lukewarm." Then who is the one so trusted by President Kim that he will be entrusted with affairs after Kim's departure?

Political circles have a strong-and-weak theory. That is, a strong ruler is followed by a weak one. The strong Syngman Rhee was followed by the weak Chang Myon; the strong Pak Cheng-hui by the weak Choe Kyu-ha; the strong Chon Tu-hwan by the weak No Tae-u. Now, it is time for a figure with a soft image to follow the strong President Kim. The ones who belong this category are Chairman Yi and Vice Speaker Yi Han-tong.

Some people even believe that President Kim's instruction asking party figures to refrain from discussing the next presidential candidate during this year is to provide Yi with a "solo stage" for the next year. Except for Kim Tok-yong, minister for political affairs, the other candidates do not have significant posts. With everyone keeping mum on the issue of the next presidential election, Chairman Yi is free to roam about. He is free to meet other contenders as the representative of the party, and free to meet with other lawmakers. He only has comrades, and no enemies. This character could help him at a decisive moment. So too could his foreign contacts. If the ROK is selected as the site for the 2002 World Cup soccer games in Zurich on 1 June, Chairman Yi will get added "wings" as the honorary chairman of the Bidding Committee for the World Cup. The fact that he

is an expert on the reunification issue is also significant at a time when North Korea is facing a drastic change.

However, the cons are also strong. Those people in disagreement believe a presidential candidate should not be decided according to personal relations. If President Kim has Chairman Yi in mind as the successor, he might be hurt in an unexpected moment. Chairman Yi also made it clear that he does not intend to run as the next president. His is a staff style rather than a leadership style.

Chairman Yi's answer to the question about being a caretaker has been consistent: "That is a reasonable assumption. I think so, too." However, the political situation, particularly the presidential race, is as unpredictable as the direction of a soccer ball. Where is the ball headed? Maybe Chairman Yi himself does not know.

ROK: Editorial Criticizes Kim Tae-chung's 'New Power Theory'

SK2205000596 (*Internet*) *The Digital Chosun Ilbo*
WWW in English 1154 GMT 21 May 96

[Editorial: "Presidency for Kim Tae-chung"]

[FBIS Transcribed Text] Kim Tae-chung, the leader of the National Congress for New Politics, may be acknowledging the difficulty of becoming president with support only from the Cholla region. His previous strategy for attaining the presidency had been through shifting power balances among districts and through a cabinet supported by the whole nation, but it seems to us that he is now advocating the establishment of a united regional association.

His proposal for a united regional association just seems to be encircling President Kim Yong-sam's and PK (Pusan and Kyongsangdo) forces with a "Honnam + TK (Taegu and Kyongsangdo) + Chungchung + a part of Kyonggi" block. If this succeeds, then different regions will share the power of president, prime minister, and other ministers.

Any politician can develop his or her own strategy for power, but as bystanders, we can raise some questions. First, is Kim Tae-chung finally beginning to use regionalism publicly as an offensive, not a defensive weapon? If so, such a position makes it more difficult for him to criticize others on moral grounds.

The second question is, can we really believe in such words? The traction and history of Korean politics seem to indicate that once presidency is attained, that power is monopolized.

And, as for the united regional strategy, how can two opposing figures such as Kim Tae-chung and Kim Chong-pil, who clashed over the Kim Yong-sam government's decision to withhold condolences at Kim Il-song's death, share power in the same government? Perhaps politicians from the TK area feel the necessity to cooperate with Kim Tae-chung for reasons of political survival, but it is questionable whether or not voters in these areas will support their position.

Maybe Kim Tae-chung's new power theory is a multi-purpose ad-balloon aimed at dealing with his party's internal situation. Nevertheless, this strategy is both unrealistic and illogical. Furthermore, the often-shifting strategies pursued by Kim Tae-chung in his bid for the presidency appear to reflect his inconsistency and lack of commitment to one idea.

ROK: Editorial on Opposition's Case in Constitutional Court

SK2405084196 *Seoul TONG-A ILBO* in Korean
23 May 96 p 3

[Editorial: "How Convincing Is the Opposition Parties' Petition to the Constitutional Court?"]

[FBIS Translated Text] The political rift regarding the New Korea Party's [NKP] recruitment of opposition lawmakers-elect has now been taken to court by the three opposition parties. In a nutshell, we are skeptical about the persuasiveness of their petition. Some in the opposition camps are saying that the issue may not be an object for a constitutional petition, and we get the impression that this petition is a tactic to pressure the ruling party.

We once denounced the ruling party for its audacity and immorality in neglecting the public mandate of the general election, to continuously win over lawmakers-elect, and pointed out that this is an act of making fools of sovereigns. While we sympathize with the opposition's lack of alternatives in dealing with the ruling party's strong-arm tactics, their decision to take a political issue to court leaves much to be desired.

Even if we overlook the issue of the independence of each of the three branches of government, it looks bad for the political circles to be unable to settle this on their own without seeking a court ruling. The opposition camps appealed to the Constitutional Court in 1990 when the ruling party railroaded through the National Assembly, but its petition was turned down on the grounds that it was "unworthy of deliberation." While acknowledging the Constitutional Court as the supreme institute of legal interpretation, we do not think it has the authority to pass judgment over political disputes.

The three opposition parties claim that the securing of a majority in the National Assembly by the ruling party is an encroachment on the public's fundamental rights that are guaranteed by the Constitution, including the rights to form a parliament and plural parties. Some maintain that the basic right to form a parliament is new and nonexistent in the Constitution, and some scholars contend that the basic principles of the Constitution, including the people's right to representation and the right to form a parliament cannot be subject to constitutional petitions.

The ruling party and their new recruits deserve to be denounced for their lack of morals. In legal terms, lawmakers from regional constituencies may choose to change party affiliation, unlike lawmakers from the national constituency who risk losing their seat if they bolt from their party. As the petition is pending, we hope that the Constitutional Court will rule as soon as possible.

ROK: NKP Chairman-Opposition Talks Unlikely Until 2 Jun

*SK2405070996 Seoul TONG-A ILBO in Korean
23 May 96 p 4*

[Article by reporter Choe Yong-muk: "Opposition's Reaction to NKP Chairman Yi's Proposal to Visit Opposition Party Premises"]

[FBIS Translated Text] Thus far, the National Congress for New Politics [NCNP] and the United Liberal Democrats [ULD] have reacted negatively to the proposal by New Korea Party [NKP] Chairman Yi Hong-ku to visit the opposition party headquarters. The opposition parties think the motivations for Chairman Yi's proposal are insincere.

The opposition's view of Chairman Yi's proposal is clear. For one thing, the ruling party overrode protests by the opposition to enforce its plan to induce opposition and independent lawmakers-elect into the NKP, and is now offering to meet for dialogue. The opposition camp claims that this "first causing illness, then offering a cure," is deprecating to the opposition.

The opposition feels that the timing of Chairman Yi's visit to opposition headquarters on 28 and 29 May, immediately after the opposition camp's heated out-of-parliament, anti-NKP show, which includes the mass rally at Poramae Park on 26 May, is aimed at letting out steam so as to create an atmosphere that is more conducive to the NKP.

The opposition camp also feels that Chairman Yi's proposal is aimed at shifting the blame for the political stalemate onto the opposition camp.

Judging from this atmosphere, Chairman Yi's visit to the opposition's headquarters is unlikely to take place any time soon. Hearing of Chairman Yi's desire to visit, ULD President Kim Chong-pil was said to have reacted positively at first, stating, "I am a man of politics through dialogue," but changed his mind in consideration of the intro-party atmosphere and the need to strengthen joint cooperation among opposition parties.

However, if Chairman Yi continues to push ahead with his plan to visit the opposition headquarters even after he returns from his overseas mission to promote the hosting of the World Cup soccer games in 2002, the situation may change. The opposition will not be able to justify its adamant refusal of the unprecedented ruling party chairman's visit to opposition headquarters for that long.

Key post holders of the NCNP and the ULD are going to "Wait Until Chairman Yi Returns from His Overseas Trip." Therefore, Chairman Yi's visit to opposition headquarters may take place sometime after 2 June, when he returns from his overseas trip, and sometime before the 5 June opening of a new National Assembly.

ROK: Opposition Likely To Accept NKP President's Call for Talks

*SK2505141996 Seoul TONG-A ILBO in Korean
23 May 96 p 4*

[By reporter Yim Chae-chong]

[FBIS Translated Text] Yi Hong-ku, president of the New Korea Party [NKP], has decided to promote meetings with the two Kim's — Kim Tae-chung of the National Congress for New Politics and Kim Chong-pil of the United Liberal Democrats. This signifies that he is willing to solve through dialogue the confrontation over opening the National Assembly, an issue on which the ruling and opposition parties have opposite views.

As such, the NKP and Chongwadae [presidential offices] have expressed different views on whether to tentatively stop luring independent lawmakers to the NKP. On 21 May both sides decided to tentatively stop such moves. In this process, President Yi leaned toward tentatively suspending such moves.

President Yi's support for visiting the two Kims is part of his plan "to overcome the current political situation through dialogue."

While revealing his intent to meet with the two Kims, President Yi repeatedly emphasized his smooth relationship with them and said: "I can understand that the feelings of the two Kim's were hurt by the ruling party luring independent lawmakers to join it." He added that to

soothe the hurt feelings of the two Kim's, he will express "the utmost sincerity."

In his first news conference, slated for 23 May, since his appointment, President Yi plans to "outline his sincerity." It has been learned that measures to normalize the political situation such as openly announcing that the NKP will tentatively stop luring independent lawmakers to join the NKP, and guaranteeing fairness in the investigation of election offenders and its early conclusion, will be included in his expression of sincerity.

President Yi's primary expression of sincerity is to lure the opposition circle to the negotiating table, and another purpose is to show the people that "we have made efforts as such" in confronting the opposition circle's out-of-parliament struggle. Officials of the ruling party view that ultimately, the opposition circle will not reject President Yi's proposal to meet the two Kim's. This is because there is no clear justification for preventing a person who wants to meet with them from doing so.

The ruling circle concludes that the opposition will respond to dialogue. Consequently, the out-of-parliament struggle by the opposition circle will continue only through 26 May. As such, the visit to the two Kims is scheduled for 28-29 May.

ROK: NKP Urges Opposition Parties To Call Off Outdoor Rally

SK2505060796 Seoul YONHAP in English 0457 GMT 25 May 96

[FBIS Transcribed Text] Seoul, May 25 (YONHAP) — The ruling New Korea Party [NKP] urged the opposition parties Saturday to call off their scheduled outdoor rally and agree to have a dialogue with the ruling party.

Kim Chol, NKP spokesman, said, "The idea of an outdoor rally is an anachronistic way of thinking, and the rally has a poor motive and is unjustifiable. We again urge the opposition parties to cancel the plan of outdoor rally in Boramae Park."

The main opposition National Congress for New Politics (NCNP) led by Kim Tae-chung and conservative opposition United Liberal Democrats (ULD) headed by Kim Chong-pil plan to hold the rally Sunday to criticize the NKP for its post-election political manipulations to secure a parliamentary majority.

The NKP won 139 seats in the elections but later recruited eleven independent and opposition lawmakers-elect so that it would have more than half of the total 299 parliamentary seats.

The opposition parties, to protest the NKP's activities, have threatened to boycott the 15th National Assembly opening.

Kim said, "The NKP has a lot of ideas about the 15th National Assembly, and to successfully manage the National Assembly, we really want to have dialogue with opposition parties."

ROK: Political Parties Show No Signs of 'Business as Usual'

SK2505045996 Seoul THE KOREA HERALD in English 25 May 96 p 2

[FBIS Transcribed Text] Rival political parties are showing no sign of returning to business as usual, though more than a month has passed since the parliamentary elections were held.

The recruitment of independent and opposition lawmakers-elect by the ruling party has forced the opposition camp out into the streets at a time when they are supposed to be negotiating the sharing of parliamentary posts and the operation of the 15th National Assembly.

Two major opposition parties will hold a joint mass outdoor rally in a park in southern Seoul tomorrow to denounce the ruling party's buildup of a majority in the National Assembly.

By recruiting 11 lawmakers-elect since the elections, the ruling party now has the 299-member National Assembly under its control.

The opposition camp, represented by three political parties, has accused the ruling party of overriding voters' desire that it remains a minority party.

But the minor opposition Democratic Party changed its attitude earlier and refused to attend the opposition camp's first joint outdoor rally.

In protest against the ruling party's majority buildup, the opposition camp had decided to boycott the new National Assembly set to open early next month.

The opposition camp also rejected a proposal by ruling party Chairman Yi Hong-ku Thursday that he meet with opposition leaders Kim Tae-chung and Kim Chong-pil to improve their strained relations.

The two Kims are scheduled to take to the streets today to distribute publications which denounce the ruling party for what they claimed is an act destroying and dividing the opposition.

The two major opposition parties — the National Congress for New Politics and the United Liberal

Democrats — are also the United Liberal Democrats — are also planning to hold similar protest rallies in other metropolises next week.

Accordingly, it is expected that strained relations between the ruling and opposition parties will continue for a considerable period.

The rival parties are also expected to be unable to start their negotiations over how to operate the new National Assembly and whom they will select as its leaders for the time being.

In the meantime, the ruling New Korea Party yesterday urged the two opposition parties to immediately cancel their joint outdoor rally Sunday.

In a statement, the ruling party claimed that the opposition camp's plan to hold a mass protest rally is a political scheme to escape from in-house feuds over its defeat in the general elections.

But at the same time, the ruling party is pushing for dialogue with opposition parties to find a breakthrough in the current political deadlock.

A party source said the party is planning to hold behind-the- scene talks with opposition parties after their Sunday rally.

ROK: Opposition Leader 'Skeptical' About 26 May Rally Success

*SK2505034796 Seoul THE KOREA TIMES in English
25 May 96 p 2*

[FBIS Transcribed Text] The nation's two major opposition parties—the National Congress for New Politics [NCNP] and the United Liberal Democrats [ULD]—fear that their joint outdoor campaign against the ruling New Korea Party [NKP] highlighted by a largescale rally at Seoul's Porame Park on Sunday will be weakened by several incidents.

They are concerned that their offensive would backfire because of the Democratic Party's pullout from the Sunday outdoor rally, the defection by a North Korea Air Force pilot and the prospects of Seoul's winning the ticket to host the 2002 World Cup.

The minor opposition Democratic Party [DP], which had earlier agreed to take part in the rally, decided Thursday to pull out, criticizing the NCNP for having labeled the party a "subsidiary" of the ruling NKP during the election campaign period.

The decision came as a shock to the two other opposition parties who had started an aggressive offensive against the ruling camp early this week to protest the NKP's securing an Assembly majority by recruiting 11 lawmakers-elect, including three from the DP.

The opposition camp is also concerned about the political fallout from the defection of a North Korean Air Force pilot with his MIG-19 jet Thursday.

They fear that the defection might divert the public's attention from the opposition offensive, given the fact that people in the nation used to turn their backs on the opposition camp at times of crisis in national security.

They warned the ruling NKP not to use the defection to create the so-called "politics of security hyperbole," exaggerating the North Korean threat in an attempt to thwart the opposition offensive.

Chong Tong-yong, spokesman of the NCNP, said yesterday, "It shouldn't be allowed for any party to use South-North problems for domestic political purposes."

ULD floor leader Yi Chong-mu said that the party is preparing a countermeasure against the ruling NKP for its possible attempt to circumvent the current political situation through emphasizing the people's security concern, ignited by the defection of the North Korean pilot and the intrusion by five North Korean patrol boats into southern waters Thursday.

The opposition camp was also irritated by the people's keen attention being paid to the FIFA's June 1 vote to select the host country for the 2002 World Cup between South Korea and Japan.

Leaders of the opposition parties believed that if the nation gets the 2002 World Cup, their anti-NKP campaign will lose its luster as public attention is expected to turn away from politics.

A ULD official said, "If we succeed in hosting the World Cup, it should be interpreted as the result of our people's unified efforts, not a trophy of the ruling party and government."

However, they confessed that the prospects for their offensive are not bright. Even NCNP leader Kim Tae-chung is skeptical about the success of tomorrow's outdoor rally, clearly sensing the ebbing of the people's enthusiasm.

ROK: Opposition Rally Criticizes NKP's 'Artificial Majority'

*SK2605104296 Seoul YONHAP in English
0836 GMT 26 May 96*

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Opposition parties held a joint outdoor rally at Boramae Park in Seoul Sunday afternoon and criticized the ruling New Korea Party's [NKP] successful attempt to secure half the parliamentary seats by inducing independent lawmaker-elects to join the ruling party.

The main opposition National Congress for New Politics (NCNP) led by Kim Tae-chung and conservative opposition United Liberal Democrats (ULD) headed by Kim Chong-pil also urged the NKP to hold a parliamentary hearing on corrupted election campaigns and revise election-related laws to secure fair election campaigns.

The police said that about 70,000 people were gathered for the rally but the NCNP estimated the number at 150,000.

The two Kims said in their addresses that the 15th National Assembly will be managed by dialogue and negotiation only if the ruling party and the government show faithful attitude to accept demands of the opposition camp.

They also criticized that the NKP's "artificial" creation of majority in the National Assembly is an act to ignore the people's choice and destroy opposition parties.

The NKP won 139 seats at the general elections but later induced independent lawmaker-elects to join the party to secure 150 seats — half the total parliamentary seats, 299.

The two Kims said they will maintain close cooperation with each other to struggle against the ruling party.

The opposition parties adopted a resolution, urging the government and the ruling party to apologize for "total corruption in election campaigns" and stop biased investigation into opposition parties' lawmaker-elects.

ROK: Former NKP Chairman, Yi Se-ki Reportedly Met 'Secretly'

*SK2605021896 Seoul THE KOREA TIMES in English
26 May 96 p 2*

[From the "Press Pocket" column: "Secret Meeting"]

[FBIS Transcribed Text] Lawmakers in the ruling New Korea Party [NKP] pricked up their ears upon reports that former chairman Kim Yun-hwan had "secretly" met with Rep. Yi Se-ki in Hong Kong.

During his recent visit to Japan after taking off his hat as the chairman of the ruling NKP, he did not stay in Japan only. It was belatedly learned that he visited Hong Kong where he met Rep. Yi, who was on his way back home from Beijing.

What was discussed by the two who had dipped their hands in the creation of the fifth regime led by disgraced former president Chon Tu-hwan was hard to come by.

The two held important posts both in the party and the cabinet during the fifth and the subsequent regime of former president No Tae-u.

Rep. Kim said he went to Hong Kong to meet with this nephew, who is now leading the association of Korean residents in the British colony, dismissing any political implications about the meeting.

He said he was buying a pair of shoes at a shop when he encountered Rep. Yi.

Their meeting itself out of the nation was enough to raise the attention of ruling party lawmakers because the two did not appear to be on good terms with President Kim Yong-sam, who concurrently heads the ruling NKP.

"I do not care," the former NKP chairman said tersely when asked to comment on reports that he was seeking the speakership of the new National Assembly upon returning from his visit to Japan.

Because of their past records, gossip mongers hurriedly guessed they may have discussed various things, including something that might have angered President Kim, who has about 20 months to go in office.

The former NKP chairman made interesting remarks yesterday that he can jump out of the party if it is moving in a direction different from what he has in mind.

Meeting with reporters after taking part in a gathering of Kim's clan in Sonsan, Kyongsangpuk-to, he said he is now preoccupied with helping the party win the presidential election next year, however.

ROK: Opposition To Negotiate With, Protest Against NKP

*SK2705000896 (Internet) The Joong-Ang Ilbo WWW
in English 27 May 96*

[FBIS Transcribed Text] The National Congress for New Politics (NCNP) and the United Liberal Democrats (ULD) are considering a policy which would combine carrying out limited negotiations on opening the National Assembly with the ruling party and holding street protests at the same time.

NCNP and ULD decided that their message of warning to the ruling New Korea Party (NKP) about their artificial efforts at gaining a majority of seats in the new 15th National Assembly by recruiting independent lawmakers-elect, was sent clearly through a mass rally held at Poramae Park in Seoul, and decided to attend the ceremony marking the opening of the 15th National Assembly which will be held on June 5. The two opposition parties also decided to agree to limited negotiations with the ruling party.

**ROK: Opposition Urged To End
'Out-of-Parliament Struggle'**

*SK2705083596 Seoul YONHAP in English
0740 GMT 27 May 96*

[FBIS Transcribed Text] Seoul, May 27 (YONHAP) — Ten lawmakers-elect, who have recently joined the ruling New Korea Party (NKP), have urged the normal opening of the National Assembly and the discontinuation of the out-of-parliament struggle organized by the opposition parties.

They made the request at a joint news conference Monday, and explained that they had joined the NKP of their own free will in accordance with the constitutional right to choose political parties, and that it is a political ploy for the opposition camp to link their new NKP membership to the opening of the 15th parliament.

"We are definitely against the opposition parties' use of our legitimate party changes as a tool for political conflict," the lawmakers argued.

The new NKP members also added that the opposition parties have to end their political maneuverings of using the NKP recruitment issue as a pawn to cover up their complicated situation after the general elections.

ROK: Article Views Opposition's Rally at Poramae Park

*SK2805054896 Seoul THE KOREA TIMES in English
28 May 96 p 2*

[Article by "CUB": "Will Two Kims Keep on Holding Outdoor Rallies?"]

[FBIS Transcribed Text] The Poramae Park rally Sunday was no doubt a culmination of the opposition camp's political offensive against President Kim Young-sam and his ruling party, the New Korea Party [NKP].

The rally, which Kim Tae-chung of the National Congress for New Politics [NCNP] and Kim Chong-pil of the United Liberal Democrats [ULD] jointly organized, though has left much to be pondered.

The two Kims joined hands to launch a political offensive against the ruling camp. But it is another matter whether the political cooperation will last because of their own ambitions that can hardly be compromised.

The two major pillars in the opposition camp exchanged praises, in showing off their alliance.

ULD leader Kim said, NCNP leader Kim is the top political leader of the nation's recent political history, although he and I had been on different sides." However, the NCNP leader's praise of ULD head Kim was rather skimpy. He asked, "Would it ever have been possible

in the past for the ULD leader and I to stand hand in hand before the people?"

Kim Tae-chung's speech for the most part dealt with the need for a power transfer from the ruling to opposition camp or from region to region. However, alleged fumbles in policy matters was what the ULD leader devoted most of his speech to.

Kim Chong-pil was more severe in criticism of President Kim than NCNP leader Kim Tae-chung.

The alliance of the two Kims is seen as a political necessity in the face of the rising call for their departure from politics to usher in new faces into the nation's politics, which had been "ruled" by the three Kims including President Kim for the past three decades.

As the presidential election is set for December next year, they need to silence the in-house voices of political leaders of the next generation, otherwise, they will be swept into history without having even the chance of running for the presidency next year.

The Poramae rally was successful for the time being in subduing the burgeoning dissension. But the two parties differed on whether to hold more rallies. The ULD wants to stage rallies in Taejon and Taegu while the NCNP has some reservation to the idea.

NCNP leader Kim Tae-chung would like to expand his support base from Honam to encompass the Chungchong area, where support for the ULD leader is strong, and Kyongpuk province and the Taegu area, where anti-President Kim sentiment runs high.

This is why the NCNP leader has been stressing the need for the rise to power outside the TK (Taegu and Kyongbuk), from which past presidents hailed.

Kim Chong-pil succeeded in putting forth a tough image by staging the rally with his one-time political rival, Kim Tae-chung.

He may seek to emulate the NCNP leader, who is regarded as a tough political fighter, by continuing the outdoor struggle that was not his strong point in the past.

He has long advocated the adoption of the parliamentary cabinet system through the revision of the Constitution. As a Constitutional revision is out of the question as long as the ruling camp opposes it, the ULD leader is scheming to run for the presidency next year, believing he is closer to winning the hearts of the TK than the NCNP leader is. If he succeeds, there is no reason for him not to seek the presidency.

In this connection, Kim Chong-pil is counting on the possibility that the NKP will disintegrate in the course

of its presidential nomination race. For the ULD leader, he has nothing to lose to keep on holding outdoor rallies.

Meantime, Yi Hoe-chang, a presidential hopeful, has "challenged" President Kim by saying that it is not desirable for party leaders to keep silent on the nomination issue just because President Kim wants to put off holding the debate of the issue until after next year.

On top of this, former NKP chairman Kim Yun-hwan said he would not sit idle this time if the party proceeds in a direction different from the one he has in mind.

ROK: NKP Chairman Yi Hong-ku Interviewed

*SK2705055596 Seoul SISA JOURNAL in Korean
30 May 96 pp 14-15*

[Interview with New Korea Party Chairman Yi Hong-ku by So Myong-suk in Seoul on 20 May]

[FBIS Translated Text] [So] The New Korea Party [NKP] has said it would negotiate with the opposition parties to open a National Assembly. However, the opposition parties have said they have no choice but to wage a struggle against it by all means. Would you comment?

[Yi] First of all, the expression — negotiations to open a National Assembly — is not appropriate. The ruling and opposition parties passed a law in 1993 to designate a specific date for opening a new National Assembly. Therefore, opening a National Assembly is not a matter requiring negotiations. Of course, ruling and opposition parties hold negotiations and dialogue in politics. Opening a National Assembly is different from other issues requiring negotiations.

[So] The current turmoil started when the ruling party tried unreasonably to win a majority in the National Assembly by luring opposition or independent lawmakers-elect. Is it not true?

[Yi] I cannot understand that logic. During the election campaign, all daily and weekly newspapers speculated that the ruling party would fail to win a majority in the National Assembly but try to become a majority party by luring independent lawmakers-elect. Their speculation has proven correct. Then, I cannot understand why the ruling party's luring opposition and independent lawmakers-elect is a problem. I can understand the opposition parties' reaction in my heart. However, it is not right for them to criticize us, alleging that we are forcibly doing this.

[So] You were a political science professor. How do you assess lawmakers-elect who change the political views they expressed during the election?

[Yi] I think they can change their party affiliation. Politicians have the right to change party affiliation under a democratic system, irrespective of whether it is correct or not. Of course, changing party affiliation may sometimes pose a significant political burden. Whether such an action is correct or not will be determined in the next election. The opposition parties have said that they would file a petition at the Constitutional Court and take other legal measures. However, it is doubtful whether they can resolve a political issue in court. I think the only solution is for voters to make the judgment in the next election.

[So] The NKP has continuously protected lawmaker-elect Kim Sok-won, who helped the two former presidents conceal their slush funds. This does not make any sense. Does the NKP have any intention to expel him for his moral and political responsibility?

[Yi] The NKP is not examining his expulsion at all. Under a democratic system, we must wait for the next election. Democracy requires patience. I think expelling him is not worth examining.

[So] You are chairman of the NKP. Then, why do you constantly talk as if you had instructions or decisions from the outside?

[Yi] A chairman plays an important role. However, the party president [Kim Yong-sam] makes a final decision. A chairman is tasked with gathering views and coordinating them in the party. It is not desirable to expect a greater role from a chairman.

[So] Many people say that, encouraged by the results of the parliamentary elections, President Kim Yong-sam tended to be self-righteous and work alone. Should you, chairman, speak out?

[Yi] President Kim Yong-sam stressed many times that we should not be arrogant with regard to the results of the election. He rather warned some party officials against exaggerating the results of the elections. The parliamentary elections produced the results we have now, not because the ruling party did well but because the opposition parties failed to read the people's minds.

[So] Since the NKP has now attained the majority of seats, will you stop luring independent lawmakers-elect to join your party?

[Yi] I do not know how the people will think, but I do not know if it is right to stubbornly close our doors to those who want to join our party. Would that be possible? It is not something set in stone as if it was some kind of dogma. The party will not actively come forward to lure independent lawmakers-elect.

[So] It has been predicted that the election to choose the presidential candidate within the ruling party will be held sometime in the middle of next year. Is this President Kim's thought or your judgment?

[Yi] It is my judgment. It is stipulated in the party constitution that the election for a presidential candidate should be carried out 90 days prior to the presidential elections. We can choose a candidate by September, but it may also be possible to choose a candidate sometime in July or August, or even as early as June.

[So] Chongwadae [presidential offices] wishes to prevent the discussion of who will run in the presidential elections this year. However, adviser Yi Hoe-chang said that it is undemocratic to suspend discussions on this matter because of someone's wishes. What do you think? There are views that during your meetings with senior political leaders within the party you asked them to refrain from holding discussions on the issue of who will become candidate for the presidential elections.

[Yi] I never said such a thing. The reason I met with them was because of my appointment as chairman of the NKP. They have been serving the party a lot longer than I, and have more political experience. I am not in a position to make such requests. It is known that none of them view that we must hastily discuss the issue of choosing a candidate for the presidential elections. It seems that they believe that the time for discussing such matter will be late this year, when the regular session of the National Assembly ends.

[So] What will you do, if a senior politician brings up this issue before this time? Will you as chairman request self-restraint?

[Yi] On the whole we believe that it will be reasonable for the ruling party to make the utmost efforts to solve pending issues of the state of affairs up until the end of this year and then discuss the presidency issue. However, it runs counter to a democratic country to prohibit talk up until a certain period of time regarding this matter. One can talk about this matter according to one's judgment, and we are not in a position to prevent such expression.

[So] You are one of the figures being discussed as a possible candidate for the presidency.

[Yi] It is not me. I have no intention to run. Do not even talk about it.

[So] Your answer is what I expected. Before you joined the NKP and before you were appointed as chairman, you consistently said: "I have no intention. I have no qualifications." However, you have set your foot in the political circles and have come this far. Do you not think

that you may be able to change your mind if people around you persistently recommend that you run for nominee as presidential candidate?

[Yi] Duties to fulfill under different situations and being a presidential candidate are completely different. Running for the presidency is a completely different duty in its character and substance. It is not a position to take because people around me recommend me.

[So] Then what are the qualifications for a presidential candidate?

[Yi] I am not in a position to talk about it in detail. It is reasonable that people around me say the qualifications of a presidential candidate is a person who has high moral values, international sense, and insight on the reunification issue.

[So] Coincidentally, you have the qualifications of the three virtues you mentioned.

[Yi] That is not so. You must not misunderstand me. Professor Scalapino said so and there were reports on it in the newspapers... Qualifications of a presidential candidate which the people are talking about in general are all reasonable, and there is no order among the virtues.

[So] How do you assess the theory of changing political power among the regions which President Kim Tae-chung recently claimed? There is the public opinion that people from the Yongnam region have held power for too long.

[Yi] It is awkward to say that the next president must not be elected from a specific region. President Kim Tae-chung probably did not make such a remark with this in mind. It seems he expressed the simple opinion that it is necessary that a president should come from another region than that of the Yongnam region. I can sufficiently understand this. We can have such sentiment, but I do not think it is a remark to be made with this in mind by a responsible politician or political scholar.

ROK Files Application To Join Convention on Property Rights

SK2805060096 Seoul YONHAP in English
0139 GMT 28 May 96

[FBIS Transcribed Text] Seoul, May 28 (YONHAP) — South Korea on Tuesday filed an application with the World Intellectual Property Organization (WIPO) to join the international convention for the protection of literary and artistic works, Foreign Ministry Spokesman So Tae-won said.

The Berne Convention for the Protection of Literary and Artistic Works will take effect in South Korea 30 days after the WIPO secretariat notifies member countries that it has accepted the South Korean application.

The convention stipulates that intellectual property rights (IPR) of literary and artistic works of a member country be guaranteed by other member countries without any special administrative measures.

IPR will be protected for up to 50 years from the death of authors under the Berne convention.

The convention, launched in 1886, had 117 member countries by the end of 1995.

The WIPO, affiliated with the United Nations, currently plays a major role in implementing the Berne and other international conventions regarding IPRs.

ROK, EU Meet on Bilateral Government Telecom Procurement

*SK2305140696 Seoul YONHAP in English
0737 GMT 23 May 96*

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — South Korea and the European Union (EU) agreed Wednesday that private telecommunications firms will not be the beneficiary of concessions to be offered by a bilateral government procurement agreement, Foreign Ministry Spokesman So Tae-won said Thursday.

The agreement was made at bilateral telecommunications talks which were held in Brussels, Belgium, for two days beginning Tuesday, according to So.

Korea Telecom is the only government-run telecommunications firm in the country which will benefit from the agreement on concessions to public telecommunications firms in procurement biddings in South Korea and the EU member countries.

The two sides also shared the view during the talks that an early signing of a bilateral agreement on opening the telecommunications market will serve mutual interests.

They agreed that another round of telecommunications talks be held in late June.

The EU filed a complaint with the World Trade Organizations (WTO) last month demanding that South Korea meet with the EU to discuss the opening of its telecommunications market according to WTO dispute settlement procedures.

The two sides agreed in Wednesday's talks that they will begin the dispute settlement procedure after the bilateral talks in June.

ROK: Editorial Comments on Government's Chaebol Policy

*SK2205012296 (Internet) The Digital Chosun Ilbo
WWW in English 2155 GMT 21 May 96*

[Editorial: "New Policy for Chaebol"]

[FBIS Transcribed Text] The government is strongly pursuing a new policy to regulate chaebols which seems focused on preventing power monopolies among owners because the government sees the central problem of Korean-style chaebol as the owners' dictatorial style of management. There are a number of reasons why the government believes this, among them the overwhelming amount of power owners exert in regard to decision-making, far outweighing that of stockholders or the Board of Directors.

The aim of the government plans are to prevent unilateral decision-making by owners and to secure transparency of management. In order to do this, the government plans to disclose deals made between owners and enterprises in the stock market, to strengthen the power of minor stockholders, and to do away with the preferential custom of chaebol subsidiaries guaranteeing debt for each other.

The problem with these plans is that they will do nothing about the root of this problem, the ownership structure of chaebol enterprises. The government's plans will help to improve the transparency of management and blunt the owners' dictatorial-style because there are no such controls, but the efficacy of this program is still questionable.

Consequently, there are parts of the government raising the necessity of additional action, thus increasingly the concerns of the business world. Also noteworthy is the difference of opinion among related departments regarding the strength and posture a new chaebol policy should take as well as who should take the initiative. How these measures are implemented and the speed at which they are enforced will be as critical as their strength. If the government focuses on quick, short-term gains, there is the strong possibility that our economy's fundamental base will be shaken. Whether one loves or hates the weight and the role of chaebol in our economy, one cannot deny that their impact is enormous.

ROK: Plan To Import Rice for Daily Food Viewed

SK2205145296 Seoul HANGYORE SINMUN
in Korean 22 May 96 p 3

[Editorial: "We May Eat Imported Rice Daily in the Near Future"]

[FBIS Translated Text] The phrase "the expected has happened" was once very popular. Reading the newspaper report that the government is considering rice imports for daily use," we cannot help but feel that "the expected has come too early." According to the terms for minimum market access specified in an agreement under the World Trade Organization, our country is supposed to import a certain amount of foreign rice until we open our rice market. While our food self-sufficiency rate has been declining for years, we have been completely self-sufficient particularly in rice. As a result, the government decided to use imported rice to make processed foods, beginning in 1995. A total of 350,000 som [one som equals 5.12 bushels] of rice imported from India in 1995 was used for industrial purposes. However, such "luxury" will not be allowed beginning this year because imported rice should be used as daily food, not as material for processed food, under the current situation where the amount of stockpiled domestic rice falls short of a proper level. This is the first time we have had imported rice as food since 1983.

I do not intend to recall the failure to keep the highfown commitment to prevent rice imports on the stake of the regime. However, I would like to strongly question the fact that the promise not to circulate imported rice in the domestic market to prevent the farmers' income from being reduced has been broken two years after the promise was made. We invariably called for the prevention of rice imports during the Uruguay Round negotiations, but because our rice stock is not sufficient now, we face a food crisis if rice is not imported. The president once loudly voiced that we would send rice to North Korea even it had to be imported from foreign countries. Now, putting him to shame, our country is going to import rice to feed the people. Our rice stock does not reach even an optimum level recommended by the Food and Agriculture Organization, and the amount of rice stock will be reduce to a half around October when rice will run out in farms.

The reason we face the rice supply crisis is simple. It is because the cultivated areas and farmers' willingness to cultivate rice farms are ever decreasing; as a result, the production of rice is also decreasing. However, there are growing voices within the government insisting on relying on a market economy to balance the supply and demand of rice. For example, since 1994, the government has practiced a policy of stabilizing the

price of rice by adjusting it, taking the seasonal gap in rice supply into consideration; however, both the result of and prospects for this policy are doubtful. The consumers' price of rice, which is currently 137,000 won per 80-kg bag in areas of production, is expected to increase up to 160,000 won around October, an off-crop season. This would be positive in the aspect of encouraging farmers' willingness to grow rice because the price of rice is expected to increase enough to match the seasonal gap of rice supply, 15 percent. However, if there is no rice to sell, there would be no benefit for farmers and it would only increase the burden of consumers. Now, worldwide food difficulties prevail due to unusual weather and other reasons. The only way to protect our food security is to abandon such an idea of importing cheap foreign rice, instead of eating expensive domestic rice, and to secure and expand the domestic rice production land.

ROK: Government Blamed for 'Worsening' Rice Supply Situation

SK2305021196 (Internet) The Digital Chosun Ilbo
WWW in English 1154 GMT 22 May 96

[Editorial: "Importing Cooking Rice"]

[FBIS Transcribed Text] The government is finally studying the prospect of importing cooking rice. After pledging to import rice only for industrial uses, the government will be forced to import 440,000 sum (1 sum is equivalent to 5.12 bushels). Although this is not a large amount, what is important is that the government has broken its promise not to import cooking rice.

What we are more concerned about, however, is the reason for the government's change in policy, which is the decrease in rice production to far below the appropriate level. The actual rice stock at this moment is 5.35 million sum, which is below the FAO [Food and Agriculture Organization]'s recommended level of 5.5 to 5.6 million sum. By October, it is forecast that the stock of rice will fall below 3 million sum and thereby produce serious side effects.

It is quite natural to import a basic food item when there is an insufficient supply of it, but we blame the government for contributing to a worsening rice supply situation by showing a lack of interest toward a decreasing rice stock.

The world's grain stock has fallen to its lowest point in history and grain prices are rising and making the world food situation worse. There is an increasing fear that food will be used as a weapon over vulnerable countries. This is precisely why it is urgent to review systems for increasing rice production and instituting a self-supply system.

After the local autonomous system is introduced, this problem will become more serious as local governments transform agricultural land to other purposes. There must be a stern action by the central government to preserve agricultural land. This is the first step toward increasing our supply of a main food item. In conjunction with this, it is worthwhile to study the possibility of producing major grain overseas. Although it is still in its nascent state, overseas grain production bases in Manchuria and Siberia reflect new possibilities for dealing with this problem.

Another important factor will be reviving the will and desire to work farmland. In order to do this, it is necessary for the government to have the political will to treat this issue as a national security issue. Therefore, it is crucial that we have the will to deal thoroughly with the food crisis and not just an agricultural policy based on slogans.

ROK: Government To Revise Obligatory Military Service Law

SK2305003996 (Internet) The Joong-Ang Ilbo WWW in English 23 May 96

[FBIS Transcribed Text] The obligatory military service law will be revised so that university graduates can also be classified as 'specialized research personnel' and be exempt from military duties if they find employment at small- and medium-sized companies (currently only those with a master's degree can benefit from this law). The government and the ruling New Korea Party (NKP) discussed Wednesday measures to revise the military service law including shortening the employment period of the specialized research personnel to 4 years from the current 5 years. They plan to put the matter up for resolution at an interim session of the National Assembly as soon as the revised act is finalized.

Burma

Burma: Article Voices Concern Over Confrontation

*BK2805101596 Bangkok BANGKOK POST
in English 28 May 96 p 4*

[Article by U Aung, chairman of the Alliance for Democratic Solidarity, Burma: "What Can the Burmese People Do Now?"]

[FBIS Transcribed Text] Burma obviously is on a collision course and it cannot be stopped. In any given political situation, especially under dictatorial regimes, if the predator is portrayed as victim then this is one of the hardest problems for anyone to solve. Current apprehensions about political parties are deplorable and, honestly speaking, are "ethically reprehensible and rationally disgusting".

In order to have a correct perspective of the current milieu, we may need to go back to the crux of the problem: the general elections of May 27, 1990.

At the time Burma's junta announced the date of the elections, all parties concerned said it would not be a free and fair election. United Nations supervision was even demanded for the poll.

As we understand, and the normal procedures and standards pertain election time is a time for distributing party statements. Mass rallies are called for. True, distribution of party statements was allowed provided the parties had permission from the Literary Censor Board under the junta's Ministry of Information.

There were rifts between the authorities and the politicians during the elections and, yet, when the opposition won most of the seats, many jumped to the conclusion that the elections were fair. From afar, we reached a different conclusion.

The elections were not free and fair whether the opposition won or the pro-junta party won. As a matter of fact, if the pro-junta party won the election, the election would surely be judged unfair and rigged.

We must ask ourselves what happened to our stand that the junta had no legal authority whatsoever to hold the election. The purpose of holding a election is to test the public mandate and, once completed, for the majority party or coalition of parties to claim executive and legislative powers no matter. This is regardless of whether the turnout is less than so and so percent or this or that.

All the reasons for not recognising the results of the election which the junta itself called are nothing but a farce. A true democratic system allows the majority party to rule for the prescribed tenure and also allows

a method whereby the people can remove that party legally. The beauty of the democratic system may not necessarily be the way representatives are elected, it is how the elected representatives can be removed legally.

The National League for Democracy (NLD) under the leadership of Daw Aung San Suu Kyi won the general election held on May 27, 1990 sponsored by the junta. Not long after the victory, the NLD convened a meeting at the Gandhi Hall attended by all the Peoples-Representative-Elects (PREs).

The NLD had the moral duty to assume the executive and legislative duties at that time, but it performed its legislative duty by only making a few amendments to the constitution drawn up under the directives of the founding father of Burma, U Aung San, in 1947. As for the executive duties, instead of assuming power, the NLD asked that the state power be transferred from the junta. But the junta could not transfer power to which it had no legal title of possession. The title to stolen property cannot be passed.

This was the basic constitution point which the NLD failed or refused to declare, thus forfeiting its superior legal, constitutional and moral standing and absolute legitimacy. It was then, not six years later, that the NLD should have assumed executive duties.

There is a Burmese saying which states that the tiger will not become a vegetarian out of pity for the wretched animals. By the same analogy, the junta should have negotiated then in 1990, right after the election, with the NLD, not three years later. They ignored the results of their own creation. They wanted to participate in the country's political affairs, especially in the legislature. The NLD, with the overwhelming majority, could have accommodated the desire of the military leaders through parliamentary proceedings if the junta's reasons were convincing enough.

Now, instead of making direct deals and adopting an honest approach, national affairs are conducted as though they are a personal vendetta. Mud-slinging and name-calling are for lowly cowards.

I am drawing a parallel for this situation with India's independence movement. When India was about to gain independence in August and September 1947, both Pakistan and India witnessed killings. Winston Churchill, then out of power, made the following remarks:

"The fearful massacres which are occurring in India are no surprise to me. We are, of course, only at the beginning of these horrors and butcheries, perpetrated upon one another with the ferocity of cannibals by races gifted with the capacity for the highest culture and

who had for generations dwelt side by side in general peace under the broad, tolerant and impartial rule of the British Crown and Parliament. I cannot but doubt that the future will witness a vast abridgement of the population throughout what has for 60 or 70 years been the most peaceful part of the world, and that at the same time will come a retrogression of civilisation throughout these enormous regions, constituting one of the most melancholy tragedies which Asia has ever known."

Gandhi retorted: "If he knew that India would be reduced to such a state after freeing itself from the rule of the British Empire, did he for a moment take the trouble of thinking that the entire responsibility for it lies with the British Empire?"

The current eruption is a puzzle for the general masses because when Daw Aung San Suu Kyi was released she repeatedly stated that "she and the junta have reached understandings but they cannot be revealed as understandings should be revealed only by both parties at the same time. Nevertheless, the people should trust her."

Trust, all right, but what are the understandings? What happened to these understandings? The people of Burma are not on the side of the junta, that's for sure, but they deserve to be informed what transpired and what took place so that we can judge for ourselves the situation. No matter what, we will keep our loyalty to the cause — to restore democracy and human rights which includes the right to dignity.

As the information flows in, more and more PREs are apprehended or, according to the junta, temporarily detained for interrogation.

That reminds me of a story about a villager from a remote area travelling to another village. On the way he was stopped by a soldier and asked for his national registration card. The villager was puzzled and answered: "Why ask for my ID? I am here in front of you in person." That is, why interrogate the PREs?

Daw Aung San Suu Kyi is right in front of you. If the authorities are short of gasoline to get to her, they can either ask her to come to them or give her a call. In case the authorities forget her phone number, it is 530365. Please stop this national circus; we are sick and tired of this show.

By all means, we are for national unity and reconciliation. How it is to be achieved is not a problem, be it brokered or negotiated. We believe that the central venue for peace and prosperity is not in the meeting rooms of the UN or the chancelleries of Europe or Asia or in the US, but inside our country.

When it comes to the national cause, nothing is too late. Political settlement is something that can be achieved if the attitudes are right. The present confrontation makes me deeply concerned about my fellow countrymen.

Allow me to ask both parties to restrain from extremities and save our nation and the lives of the people .

Burma: Suu Kyi Interviewed on Outcome of NLD Congress

BK3005113296 London BBC in Burmese to Burma 1345 GMT 28 May 96

[FBIS Translated Text] Listeners: The BBC was able to interview Daw Aung San Suu Kyi in Rangoon by telephone. I first asked Aung San Suu Kyi what kind of resolutions were passed at the end of the NLD [National League for Democracy] conference today.

[Begin recording] [Aung San Suu Kyi] We have quite a number of resolutions. There were 23 resolutions altogether. The main issue is to continue and to step up our work. The resolutions covered human rights, the constitution, and assignment of duties to the EC [Executive Committee].

[BBC] Among the resolutions, one is that the NLD is drawing up a constitution suitable for the nation and that it will be completed by the end of this year. Can you elaborate on it.

[Aung San Suu Kyi] The meeting assigned our EC the task of drawing up a draft constitution suitable for the nation. We cannot specifically say how long it will take. One person asked whether it can be completed by the end of the year. I said it could possibly be completed by then.

[BBC] There has been quite a lot of international reaction. Did you anticipate such reaction?

[Aung San Suu Kyi] We did not decide to hold the congress with the expectation of getting international reaction.

[BBC] It is true, but international reaction came unexpectedly.

[Aung San Suu Kyi] Yes, we are quite satisfied with these reactions. We are especially satisfied with the reaction from our general public.

[BBC] Are you satisfied with public reaction? Only a few elected representatives were able to attend the congress, but we saw the public outside the compound on television. Are you satisfied with that?

[Aung San Suu Kyi] Yes, we are especially satisfied because our main strength is the public. Public support and trust are very important to us.

[BBC] Is not the program to discourage Visit Myanmar [Burma] Year in Europe contrary to an individual's right to decide?

[Aung San Suu Kyi] No, it does not infringe upon an individual's right to decide. It does not forbid one to visit, but persuades one not to visit. There is the right to persuade. It is up to the individual to decide.

[BBC] How about the ASEAN? So far their tone has not been very encouraging. What is your view on this?

[Aung San Suu Kyi] It is not unusual. The ASEAN has remained cordial toward the SLORC [State Law and Order Restoration Council] for some time. We do not view this as something extraordinary.

[BBC] How do you view Japan's position?

[Aung San Suu Kyi] We are satisfied with the Japanese prime minister's statement. We are aware of the caution exercised by Japan. We do not blame them for their cautious action, but we believe Japan should review its stance on the issue of resumption of aid to Burma.

[BBC] What is the extent of hope regarding the resolutions passed at the conclusion of the conference?

[Aung San Suu Kyi] The resolutions spell out our work. We will have to base our work on the resolutions. The effectiveness of our work will depend on how hard we are willing to work. We are prepared to work hard.

[BBC] So you expect to have the right to carry out such work?

[Aung San Suu Kyi] We will have to devise ways to have the right to carry out our work. We wanted this to be a meeting of members of parliament, but when it was obstructed, we held it as a party congress. We did not lose out on this. So, we will carry on our work according to the methods we are capable of. We always say that we will have to pave our own path.

[BBC] Recent opinion contained in Rangoon newspapers urged you to be conciliatory. However, today's newspapers adopt a much harsher tone. How do you view these?

[Aung San Suu Kyi] That is not unusual. We work steadily. We do not change our tone. We always say we are prepared for dialogue and that dialogue should take place. We also expressed our desire for reconciliation. However, we will not tolerate injustice toward our league. We shall have to speak out. Tolerance of injustice amounts to encouragement of injustice.

[BBC] You said elected representatives were detained to prevent holding the conference. Now that the conference has concluded (words indistinct) is there any sign that the detainees will be released.

[Aung San Suu Kyi] The authorities told foreign journalists that they will not be detained for long. Well, let us see. We learned that nine members of parliament have been charged under Section-5. Charges under Section-5 do not indicate quick release.

[BBC] Do you have contact with them [detainees]?

[Aung San Suu Kyi] No. We do not have any contact with those detained.

[BBC] Is it true about detention in Insein Jail?

[Aung San Suu Kyi] We heard that U Win Htein [NLD spokesman] has been sent to Insein Jail. We also heard that some NLD youths had been sent to Insein Jail. [end recording]

Burma: Editorial Tells Foreign Nations 'Do Not Interfere'

BK3105085396 Rangoon THE NEW LIGHT OF MYANMAR in English 30 May 96 p 6

[Editorial: "Do Not Interfere"]

[FBIS Transcribed Text] Do not interfere in the internal affairs of our country for it is not our policy to do such a thing at any time. In keeping with this ethic, we say hands off to those who have been imposing this unjust design on us.

Myanmar [Burma] is an independent, sovereign nation whose citizens share equal responsibilities and rights as well. In the time of the State Law and Order Restoration Council, much has been achieved and the good work is proceeding toward that end.

As one of the original participants and authors of the agreement at Bandung, Myanmar has consistently abided by the Five Principles of Peaceful Co-existence among which non-interference in each other's internal affairs forms a vital tenet.

Myanmar, like many countries which are former colonies which had strenuously struggled and shaken herself free of the colonial shackles, has had to suffer the injustice done by the former colonial power to continue to exercise what to them may be the right to interfere just for spite, having had to make a hasty retreat when our forces clamouring for regaining of independence made it difficult for them to cling onto power.

Today, we witness sinister designs of foreign nations interfering in our internal affairs. The Tatmadaw [Defense Services], which had to take the reins of power in 1988 in order to prevent disintegration of the Union and to restore law and order, has been working according to

set schedule in order to put the nation back on the path of true multiparty democracy system.

To be systematic, the Tatmadaw Government has convened the National Convention as a fore-runner of the stage of writing a new State Constitution for a smooth transfer of power to the Government that will be in place in accordance with the provisions of that new national charter.

Given the historic presence the Tatmadaw has had to make, beginning with its founding based on young patriots resolutely engaged in striving to wrest the nation free, there have been several occasions when the Union was on the verge of disintegration, when the Tatmadaw had to intervene in response to historic necessity.

Ignoring what is being done to ensure economic and political stability and a better tomorrow for all nationals, certain foreign nations hostile to the Tatmadaw Government have been conniving with their minions to shape Myanmar's future according to their sinister designs.

Unable to do just that, they are resorting to idolising their plant, undermining the good work of the State Law and Order Restoration Council has been doing, destroying the chances for emergence of a Constitution that suits the needs and aspirations of Myanmars and covertly and overtly working to go against our good intentions.

Knowing the situation full well, we, all of us, must vigilantly seek out these acts of interference and oppose them for they pose a grave threat to national security and national wellbeing.

We have a message loud and clear: Do not interfere.

Burma: Editorial Condemns Those Seeking To Undermine Achievements

BK3105091696 Rangoon THE NEW LIGHT OF MYANMAR in English 31 May 96 p 6

[Editorial: "Working With Harmony"]

[FBIS Transcribed Text] In the wake of the disturbances of 1988, the State Law and Order Restoration Council emerged to nurse the sick nation back to normal.

Sick in the sense that it was crippled by the dastardly acts of unsavoury elements who incited riot, encouraged hotheads to commit acts unbecoming of good citizens and brought the administrative machinery to a halt in the wake of anarchy, looting, destruction and even decapitations that brought shame to the entire nation and race.

Businesses were shut down, schools were closed and there was chaos. All this negation is still fresh in our memory.

Gradually, the State Law and Order Restoration Council, with the cooperation and active participation of the people in all walks of life, has been able to achieve stability of the State through bringing about community peace and tranquillity and prevalence of law and order.

It has also been able to achieve national reconsolidation as never before by previous governments because through peace emissaries it was able to get the four armed groups to see reason and understand the Government's goodwill and sincerity. Out of the 16 groups which previously chose to differ and took up the armed struggle line, 15 have abandoned it and have come to the legal fold and are working together with the Government on national development projects.

Even U Khun Sa and his Mong Tai Army saw reason and surrendered unconditionally. The troops have been disbanded and sent back to their native towns and villages to restart a normal life.

With the cooperation and active participation of the people, many national construction projects, including those for border areas development are under way, some of them complete.

The people have rejoiced over the achievement in the move toward a multi-party democracy system that will be in place when the National Convention which has formulated the basic principles that may be incorporated in the new State Constitution.

This is no small success since delegates with divergent ideas, representing a cross-section of the populace of 45 million, with 135 various national races, have been able to obtain consensus over what is basically useful and important.

There are gains in the political, economic, social and other sectors as we have witnessed. The economy is taking off at an accelerated pace.

Sad to say, though, there are elements within the country and outside who are scheming, conniving and working to erase with their feet what we have created with our hands. We must crush them as the common enemy of the people, taking action if they should be found committing acts counter to the law and public well-being, for they are obstacles on the path of peace and progress.

Burma: 'Sources' Say 60 NLD Activists Released; Nine Face Trial

*BK3105090396 Hong Kong AFP in English
0852 GMT 31 May 96*

[FBIS Transcribed Text] Rangoon, May 31 (AFP) — The Burmese junta has released 60 activists detained in a crackdown last week, but nine others were to be put on trial, opposition sources said Friday [31 May].

At least eight activists from Aung San Suu Kyi's National League for Democracy (NLD) were released overnight and early Friday, a figure which rose to 60 by mid-afternoon, an NLD official said.

Nearly 200 activists are still being detained, according to the NLD tally.

The NLD official said among those released were 59 people who won seats as MPs, including Hla Thein and San San, in the abortive 1990 elections.

However, nine leading NLD members are to be tried under Burma's tough security laws, sources said.

The report could not be independently confirmed.

The detentions were made in the runup to a meeting of the NLD at Aung San Suu Kyi's Rangoon home last weekend.

Burma: National League for Democracy Members Face Jail Terms

*LD3105100396 Melbourne Radio Australia
in English 0900 GMT 31 May 96*

[FBIS Transcribed Text] Burma's military authorities have now released 13 opposition officials and representatives, one week after the army's biggest crackdown in years. At the same time the state-run press has stepped up its criticism of Aung San Suu Kyi, the leader of the National League for Democracy. Evan Williams reports some of those arrested last week are expected to remain in jail for a long time.

[Begin Evans recording] One week after its biggest swoop in years Burma's regime is starting to release opposition MPs and officials detained around the country. Senior government members say they were detained for questioning about their intentions in holding the party congress, but the main reason was to stop that meeting and avoid the symbolism of MPs elected to run the country meeting to discuss policy. Most are expected to be freed in the next few days but at least nine, including a senior party official, have been charged and face long jail terms as part of the government's bid to weaken the opposition and curb its ability to organize. But Suu Kyi is keeping up the pressure where she can by calling more such meetings, forcing the government

to consider repeating the arrests, which have contained the opposition at this stage at the cost of international condemnation. Evan Williams, Bangkok. [end recording]

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Hosts Dinner for Thai Prime Minister

*BK3005081296 Kuala Lumpur THE STAR in English
30 May 96*

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Prime Minister Datuk Sri Dr Mahathir Mohamed said last night Malaysia and Thailand can do more to increase direct investments, an area of weakness in bilateral relations.

He said despite the incremental expansion in bilateral trade, Thai direct investments in Malaysia last year amounted to only RM [Malaysian ringgit] 552 million.

Dr Mahathir said the bulk of the investments was in rubber products, food manufacturing and textile industries which accounted for over 85 per cent of all Thai investments in Malaysia. Likewise, he said, Malaysian investments in Thailand had been equally unimpressive.

"More can be done to upgrade this particular sector," he said at a dinner in Sri Perdana [state guest house] in honour of Thai Prime Minister Banhan Sinlapacha who arrived yesterday for a two-day official visit.

Banhan in his address said Thailand and Malaysia must not let minor issues that may arise to distract their close and cordial relations.

"We must ensure that minor issues which may arise do not distract us from our endeavours for they are but small irritants when compared to the state of our relations, both now and in the future," he said.

Banhan said there was a need to promote even closer co-operation between the two countries be they bilateral, regional or international.

This, he said, was important for the future prosperity and well-being of the peoples of the two countries and the stability and durable security of the region.

The Thai leader said the bilateral ties had laid a firm foundation for the future strengthening of co-operation at the regional and international levels.

Banhan, however, said he observed that Thai and Malaysian officials might have in the past "competed

too aggressively with each other in the conduct of our bilateral relations."

Banhan and Dr Mahathir had met several times, including the recent ASEAN Summit and Asia-Europe Summit in Bangkok.

Malaysia: Prime Minister Announces Amnesty for Thai Prisoners

BK3005104196 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 30 May 96

[FBIS Translated Text] Malaysia has decided to give amnesty to 39 Thai nationals currently detained in the country in conjunction with the 50th anniversary of Thai King Phumiphol Adunyadet's ascension to the throne. Prime Minister Datuk Sri Dr. Mahathir Mohamed said this to his Thai counterpart, Banhan Sinlapa-acha, in Kuala Lumpur this morning.

The Thai prime minister paid a courtesy call on Datuk Sri Dr. Mahathir at the latter's office this morning. During the 30-minute talks, the two leaders discussed ways to enhance bilateral ties. Also present during the talks were Thai Deputy Premier Amnuai Wirawan and Datuk Abdul Halim Ali, deputy secretary general of the Malaysian Foreign Ministry:

[Begin Ali recording] Our government has decided to free 39 Thai detainees on 1 June, two days from now. [end recording]

Datuk Halim Ali said the Thai prime minister welcomed Malaysia's decision to give amnesty to the 39 Thai nationals, some of whom are women, who are serving their time in several jails throughout Malaysia for different offenses. About 300 other Thai nationals are still detained in Malaysian jails. The Malaysian Home Ministry will arrange for their repatriation.

Malaysia: Mahathir, Thailand's Banhan To Settle Border Issue

BK3105073596 Kuala Lumpur THE STAR in English 31 May 96

[Report by Mergawati Zulfakar — received via Internet]

[FBIS Transcribed Excerpt] Kuala Lumpur: The Government is releasing 39 Thai prisoners as a gesture of goodwill and friendship in conjunction with King Phumiphol Adunyadet's 50th anniversary on the throne this year.

Prime Minister Datuk Sri Dr Mahathir Mohamed conveyed the news to his visiting Thai counterpart Banhan Sinlapa-acha during bilateral talks here yesterday that lasted 90 minutes.

Malaysia has also agreed to consider a request for the early release of another 300 Thai nationals serving prison terms here.

Deputy Home Minister Ong Ka Ting told reporters at the Dewan Rakyat that they had served out most of their sentences and were not a threat to national security.

Wisma Putra [Ministry of Foreign Affairs] deputy secretary-general Datuk Abdul Halim Ali said this was the first time Malaysia was releasing foreign prisoners and Banhan had welcomed the gesture of friendship. [passage omitted covered by referent item]

Malaysia and Thailand also reached agreement yesterday which would resolve outstanding issues on demarcation of their common border "almost immediately" after 15 years of talks.

"Although the mapping and survey of the border is concluded, there are still certain small areas in Bukit Jeli in Kelantan which have yet to be agreed upon," Abdul Halim said.

"Both the Malaysian and Thai prime ministers agreed the problem should be resolved quickly and officials will conduct their study immediately to reach final settlement on this matter."

Abdul Halim explained that among the outstanding issues were border markers and the construction of buildings which encroached into the other country's territory.

During the talks, Dr Mahathir touched on the proposed land bridge linking Malaysia's west coast (Penang) and Thailand's east coast (Songkhla) to expedite transport by road and ease the congestion in the Straits of Malacca.

Malaysia: Kazakhstani President Departs for Singapore

BK3005102596 Kuala Lumpur THE STAR in English 30 May 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Kazakhstan President Nursultan Nazarbayev left for Singapore yesterday after a four-day state visit to Malaysia.

He was seen off by Minister in the Prime Minister's Department Datuk Dr Hamid Othman, who is the Minister-in-Attendance, at the Sultan Abdul Aziz Shah Airport.

During the visit, Nazarbayev held talks with Prime Minister Datuk Sri Dr Mahathir Mohamed and witnessed the

signing of three agreements to promote trade, economic cooperation and investment between the two countries.

Singapore

Singapore: Kazakhstani President Addresses Businessmen

BK3005114896 Singapore Radio Corporation of Singapore in English 1100 GMT 30 May 96

[FBIS Transcribed Text] Kazakhstan's President Nursultan Nazarbayev has said his country is (?calling) to have bigger investments from Singapore to develop its natural resources and infrastructure. Addressing some 200 Singapore businessmen in the Republic this morning, he said the mineral wealth of Kazakhstan has yet to be fully explored. Mr. Nazarbayev said his government would consider simplifying tax cuts on loans to give more incentives to foreign investments.

Earlier, he met President Ong Teng Cheong at the Istana [palace]. Mr. Nazarbayev left for home this afternoon.

Singapore: Air Accord Signed With Kazakhstan

BK3005123996 Singapore THE STRAITS TIMES in English 30 May 96 p 1

[Report by Grace Sung]

[FBIS Transcribed Text] Singapore and Kazakhstan last night signed a "milestone" accord which would allow for direct flights between the two countries.

Said Prime Minister Goh Chok Tong at a dinner he hosted for Kazakhstan President Nursultan Nazarbayev: "This evening, we witnessed another milestone with the signing of the Kazakhstan-Singapore air services agreement."

The accord, when implemented, will "close the geographical distance now separating Singapore and Kazakhstan," he added.

Communications Minister Mah Bow Tan and Kazakhstan Foreign Minister K. Tokaev signed the accord just before the dinner at The Oriental Singapore.

The signing ceremony took place on the first day of the two-day official visit by Mr. Nazarbayev, which Mr. Goh said would strengthen bilateral ties.

The visit would also "open Singapore's eyes to opportunities for expanding commercial and economic ties between our two countries", said the prime minister.

"The results may not be immediate, but Singapore should have an increasing presence in Kazakhstan if we sustain our efforts to improve bilateral ties. Likewise, we welcome a bigger Kazakhstan presence in Singapore."

According to a Civil Aviation Authority of Singapore statement, the air services agreement allows designated airlines to operate two weekly services between the two countries with any type of aircraft.

Singapore and Kazakhstan do not have direct scheduled services at present, but ad hoc tourist charter flights have been operated between Singapore and Almaty, the capital of the Central Asian country.

Mr. Goh, in his dinner speech, pointed out various differences between the two countries. For instance, Kazakhstan is more than 4,000 times the size of Singapore and has immense natural resources, including oil and gas.

But, he noted there are also similarities. "We both have a multiracial society and have to pursue policies that ensure harmony among the different ethnic communities."

"We both must have the ability to pursue an effective foreign policy which brings peace and stability to our immediate surroundings," he said.

He praised Kazakhstan for its role in nuclear nonproliferation, and said the two countries could cooperate in global organizations such as the United Nations to secure a stable environment for continued progress and prosperity.

Mr. Nazarbayev, in his dinner speech, said yesterday's talks had unveiled a great potential for strengthening mutually beneficial ties.

He believed "the bridge we have started to build will be a strong one, while its traffic will be intense and both ways".

He said Kazakhstan was watching Singapore's experience with interest.

The Republic's "impressive achievements" were the result of "an astonishing human phenomenon — a rare optimism and amazing hard work."

Mr. Nazarbayev, who is the first president of Kazakhstan to visit Singapore, arrived yesterday morning for the two-day visit at Mr. Goh's invitation.

He was received at the airport by Mr. and Mrs. Goh, as well as Community Development Minister Abdullah Tarmugi and Mrs. Abdullah.

At the airport, Mr. Nazarbayev, who is accompanied by a 50-member delegation, inspected the guard of honor.

Yesterday, he and Mr. Goh led delegation-level talks. The Kazakhstan president also met Senior Minister Lee Kuan Yew and visited Sentosa.

Today, he is scheduled to call on president and Mrs. Ong Teng Cheong at the Istana [palace].

He will also attend a seminar on business in Kazakhstan organized by the Singapore Confederation of Industries.

In addition, he will be hosted to lunch by the Agio Group of Companies.

Singapore: Thai Prime Minister Banhan Arrives, Holds Talks

BK3005113596 Singapore Radio Corporation of Singapore in English 1100 GMT 30 May 96

[FBIS Transcribed Text] Thai Prime Minister Banhan Sinlapa-acha has arrived in Singapore for a three-day official visit. He was met at the Changi Airport by Prime Minister Goh Chok Tong. At the meeting at the Istana [palace], the two leaders discussed ways to enhance bilateral ties. They also covered regional issues, including ASEAN initiatives on the development of the Mekong basin.

Mr. Banhan paid a courtesy call on President Ong Teng Cheong and also met Senior Minister Lee Kuan Yew. He will be hosted to dinner tonight by Mr. Goh.

This is Mr. Banhan's first visit to Singapore as prime minister. He is accompanied by a large delegation of government officials and business leaders.

Singapore: Thailand's Banhan Outlines Agenda for Visit

BK3105024296 Singapore THE STRAITS TIMES in English 30 May 96 p 31

[Report by Lee Siew Hua]

[FBIS Transcribed Text] Bangkok — Thai Prime Minister Banhan Sinlapa-acha will encourage Singaporean and Thai businessmen to work together for regional prosperity during his first official trip to Singapore starting today.

"It is my personal attitude that both Singaporean and Thai businessmen should take advantage of existing economic complementarities to benefit each other by increasing the volume of trade," he said in a written reply to questions put by THE STRAITS TIMES yesterday.

The private sectors of both countries could also promote greater mobility of labor and capital for further economic expansion in South-east Asia, he added.

Thailand and Singapore were ideal investment partners and could put their economic rivalry behind them, he noted.

The Thai premier, who will be accompanied by a business delegation, would invite the Singapore private sector to invest in Thailand, and to jointly invest in third countries such as Myanmar [Burma], India and China.

With the demise of the Cold War "the war zone of our neighboring countries has turned out to be a very attractive market", he said.

The economic rivalry of the past, he added, was being substituted with closer cooperation.

"Moreover, economic cooperation and integration at the regional and sub-regional level ... play very significant roles in promoting the greater economic prosperity and well-being of the people in Southeast Asia," he said.

Singapore and Thailand enjoy substantial economic ties. Thailand is Singapore's sixth largest trading partner while the Republic is Thailand's third largest partner.

Total bilateral trade last year was more than \$[Singapore]\$18 billion. With over US\$16 billion (\$22.5 billion) worth of investments in Thailand, Singapore is also the largest Asean investor there.

Mr. Sinlapa-acha also said that his government "still attaches great importance" to the 195 km-long Krabi-Kanom land bridge project to link the Andaman Sea to the Gulf of Thailand.

The government was reviewing possible harbor locations and the impact the project would have on the environment, he said.

Mr. Kobsak Chutikul, Director-General of Economic Affairs at the Thai Foreign Ministry, told THE STRAITS TIMES that Mr. Banhan and Singapore leaders would discuss the progress of projects outlined at the Asean Summit last December and the Asia-Europe Meeting in March.

These included the proposed rail link from Singapore to Kunming in China, which may connect ultimately to the trans-European route, he said.

But he added that details still had to be worked out, including "routing and financing, and whether to use the existing train system or a new high-speed one".

The framework of cooperation between Asia and Europe, another Asean initiative, would also be followed up, he said.

The Asia-Pacific Economic Cooperation (Apec) summit in November, and the work on the liberalization process within Apec, as well as the first World Trade Organization ministerial meeting in Singapore in December, was also on the agenda.

Trade friction between the United States and China, and the impact on the region was also likely to be discussed, he said.

The Thai Prime Minister would visit the Singapore waterfront and ride the mass-rapid transit from City Hall to Woodlands, activities related to plans to build a subway system in Bangkok and to expand port facilities.

Singapore: Thailand's Banhan on Importance of Mekong Region

BK3105041896 Singapore THE STRAITS TIMES
in English 30 May 96 p 2

[Report by Lee Siew Hua]

[FBIS Transcribed Text] Bangkok — The countries in the Mekong region would welcome a strong Singapore role in their economic development because they value the Republic's financial and technological powers, said Thai Prime Minister [PM] Banhan Sinlapa- acha.

In a written response to questions from THE STRAITS TIMES, Mr. Banhan, who arrives in Singapore today on an official three-day trip, said: "We always consider that Singapore is one of the richest countries in Asean both in terms of financial and human resources.

"Singapore's advantage lies in its greater investment powers and technological capacity which could be of great potential to assist in different areas of development, such as transportation, telecommunications information network trade and investment, and training.

"We would certainly welcome their active involvement and contribution both from the government and private sector."

The Mekong region encompasses Thailand, Myanmar [Burma], Vietnam, Cambodia, Laos and the southern Chinese province of Yunnan.

Thailand had highlighted its gateway position and historical links to the resource-rich Mekong region for several years. Then more recently, the virgin zone came into wider prominence at the Asean summit last December and the first Asia-Europe Meeting (Asem) in March.

Mr. Banhan, 63, is expected to discuss the Mekong region with Singapore leaders during his trip, which seeks to bring economic cooperation to a higher plane.

Another major economic topic will be the proposed pan-Asian railway from Singapore to Kunming in China, a priority project identified during Asem, which will push development in the Mekong River states.

Investments will also be on the mind of Mr. Banhan, himself a successful businessman-turned-politician.

The Chart Thai Party leader who took power after last July's general election, said: "During my trip to Singapore, I would invite the Singaporean private sector to invest more in Thailand especially in the Eastern Seaboard and the Indonesia-Malaysia-Triangle. moreover, I would call for joint investments in third countries such as Indochina, China, Myanmar and India.

The Thailand-Singapore Business Council — an idea mooted by Singapore Prime Minister Goh Chok Tong — was launched in November 1994 for this purpose of teaming up in third-country investments.

A range of follow-up matters from the Asean summit, Asem and Asia-Pacific Economic Cooperation forum will also be pursued in his talks with Mr. Goh and other Singapore leaders, he said.

Summing up the overall purpose of his trip, which wraps up his introductory tours of Asean countries, he said: "The purpose of my trip to Singapore this time is to strengthen relations with Singapore leaders.... The bilateral relations between Thailand and Singapore have been smooth and cordial. We have very close relationships at all levels."

Mr. Banhan had intended to kick off his Asean tour last September with a trip to Indonesia and Singapore, but this was postponed due to severe flooding in Bangkok.

His substantive program begins this afternoon with a ceremonial welcome at Changi Airport. Mr. Banhan, arriving by private aircraft from Kuala Lumpur, will be received at the airport by Mr. Goh and Communications Minister Mah Bow Tan.

This will be followed by a courtesy call on President Ong Teng Cheong and talks with Mr. Goh and Senior Minister Lee Kuan Yew. His first day will wrap up with a banquet hosted by Mr. Goh.

On Friday, Mr. Banhan will visit the Land Transport Authority, take the MRT [Mass Rapid Transit] from City Hall to Woodlands and tour a bus interchange. His Saturday will consist of a waterfront tour and a Sentosa visit, before he leaves for Bangkok.

He will be accompanied by his wife, Mrs. Jamsai Sinlapa- acha, and an 82-member delegation which includes Deputy Premier and Foreign Minister Amnuai Wirawan, Labor and Social Welfare Minister Prasong Bunphong and 15 businessmen.

Singapore: Goh, Burkina Faso's Compaore Discuss Trade Relations

BK3105090696 Singapore THE STRAITS TIMES in English 25 May 96 p 25

[Report by Hau Boon Lai]

[FBIS Transcribed Text] Singapore can be a gateway for Burkinabe exports to Asean and the Asia-Pacific region said Prime Minister Goh Chok Tong last night [24 May].

Speaking at a dinner in honor of the President of Burkina Faso, Mr. Blaise Compaore, Mr. Goh called on the West African country to work with Singaporeans to take advantage of the opportunities in Singapore and the Asia-Pacific region.

He said: "The Singapore Government encourages its businessmen to trade and invest overseas. There is scope for greater economic contacts between Singapore and Burkina Faso."

Mr. Compaore, accompanied by a high-level delegation comprising several ministers and senior officials, arrived here on Thursday evening on a five-day working visit.

The 45-year-old president is the latest African leader to visit Singapore, after recent visits by the leaders of Ghana, Zimbabwe, South Africa, Namibia, Botswana, Kenya and Zambia, among others.

At last night's dinner at the Mandarin Hotel, Mr. Goh said Mr. Compaore's visit had raised bilateral relations to a new level. Singapore and Burkina Faso established diplomatic relations at ambassadorial level in May 1993.

He praised the Burkinabe president for his leadership and his role in mediating peace and promoting goodwill among his neighbors.

He said Burkina Faso had been experiencing steady economic growth under his leadership. "You have embarked on a successful economic structural adjustment programmed," he told Mr. Compaore.

On economic cooperation, Mr. Goh said trade relations between the countries had improved in the last few years.

"As governments, we can build the bridge for our private sectors to take advantage of these opportunities," he said.

He also recommended that the West African state consider sending trade delegations to Singapore and countries in the region so that businessmen in the region would understand and appreciate the investment opportunities in Burkina Faso.

Offering to share Singapore's developmental experience Mr. Goh said: "Although our two countries are different, there are many areas where Singapore's developmental experience might be useful for Burkina Faso. Your officials could determine what these areas are."

Responding to Mr. Goh, Mr. Compaore said he looked forward to "productive exchanges" between the two countries in fields such as trade, housing, infrastructure and transport.

Speaking in French, he also paid tribute to the leaders and people of Singapore for their success which he described as a source of inspiration for the people of his country.

Yesterday morning, he met President Ong Teng Cheong at the Istana before visiting the Jurong Town Corporation. In the afternoon, he and his delegation also met with Mr. Goh.

Singapore: Defense Minister on SAF Officer Selection System

BK3005075896 Singapore THE STRAITS TIMES in English 29 May 96 p 3

[Report by Raoul Le Blond]

[FBIS Transcribed Text] More Singapore Armed Forces (SAF) specialists will have the chance to become officers in a revised system of selection and training to be implemented in September.

Deputy Prime Minister and Defense Minister Tony Tan gave details of the revision when he visited the School of Infantry Specialists (Sispec) at Pasir Laba Camp yesterday.

In the new system, promising recruits will be chosen during Basic Military Training (BMT) and will attend more structured and rigorous training courses.

To start, trainee specialists will be sent for a common 10-week Basic Section Leader course at Sispec.

Infantry and Guardsmen specialists will then take 11-week Advanced Section Leader courses at Sispec, while others will train at their respective schools for the same duration.

Said Dr. Tan: "The syllabi of the courses will be improved to provide greater emphasis on developing our specialists as confident and competent military leaders and trainers."

Not only A-Level and diploma holders, but any recruit who performs well in BMT and has the minimum educational qualification can become a specialist.

He said they would be spotted through enhanced selection procedures, which emphasize leadership, confidence and situational training.

Now, specialists are chosen only after BMT, during eight week vocational courses.

They then attend two nine week courses, the Infantry or Support Section Leader course and the Specialist Continuation Training course, in that order.

Only the best 3 or 4 percent now make it to OCS [Officer Cadet School], and only when they finish the Infantry/Support Section Leader courses.

In the new system, the number who go to OCS will go up to between 10 and 12 per cent, most of them making the move at the end of the Basic Section Leader course.

The new system will also allow for late bloomers. They can still go to OCS, either after the advanced 11-week specialist courses, or if they do well in their units.

He said: "The SAF has found that those who cross over from Sispec to OCS have done very well, and most finish among the top 20 percent of OCS trainees.

"Sispec thus plays another role, to find and groom talent and to prepare these better Sispec trainees for OCS."

Although more top specialists could become officers in the new system, this would not lower the standard of specialist corps, as the standard of training for them would be raised.

He said the army was devoting up to twice the infrastructural and instructional resources to improve specialists' training.

Trainees will also hone their skills with high-technology equipment such as the computerized Marksmanship Trainers, which Dr. Tan watched Sispec trainees using during his visit.

"Overall, the revised system will be more focused and better structured than the present training system," he said.

Cambodia

Cambodia: First Prime Minister Comments on King's Health

BK3005091596 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 30 May 96

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister, returned to Phnom Penh along with his royal consort this afternoon from a trip to see His Majesty King Norodom Sihanouk Varaman, who is receiving medical treatment in Beijing.

Welcoming the prince krompreah and the royal consort at Pochentong Airport were His Excellency [H.E.] Loy Simchheang, acting chairman of the National Assembly; H.E. Ing Kiet, deputy prime minister and minister of public works and transport; and their excellencies the MP's, state secretaries, under state secretaries, and officials and figures from the prince krompreah's office.

On this occasion, the prince krompreah told the local and foreign journalists and officials and figures at all levels that his majesty is in good health. The prince krompreah said he told his majesty that the situation is now very good and there is harmony in the government ranks, although there were some minor problems earlier.

Prince Krompreah Norodom Ranariddh told the Chinese ambassador, who was also on hand at the airport to welcome the prince, that he invited PRC Prime Minister H.E. Li Peng to visit Cambodia to show him that the Kingdom of Cambodia supports and recognizes only one China; that is, the PRC.

The prince krompreah also said that the Kingdom is preparing to set up a tourist consulate in China's Guangzhou and begin Royal Cambodia Airline flights there.

Cambodia: Ranariddh Says King Sihanouk 'Recovering Quickly'

BK3005091596 Hong Kong AFP in English 0903 GMT 30 May 96

[FBIS Transcribed Text] Phnom Penh, May 30 (AFP) — Cambodia's King Norodom Sihanouk who last week suffered a bout of paralysis is recovering quickly and is in good spirits, the monarch's son, first Prime Minister Prince Norodom Ranariddh said Thursday.

"I have very good news," the prince told reporters on his return from Beijing where he met with the 73-year-old king several times over the past two days. "My father feels very, very well now."

The king, in China to undergo a much-needed cataract operation, postponed his surgery in order to return to Cambodia to help ease a recent large amount of political tension that has been threatening the coalition government.

The king had planned to return to Cambodia on Thursday but last Friday suffered a cerebral spasm that left him numb and unable to move his left side for about an hour.

He received emergency medical treatment and is responding well to medication suggested by his personal physician in France but will remain under observation in hospital for several more weeks, the prince said.

"The Chinese doctors told him he must stay at least two more weeks in the hospital," Prince Ranariddh said. "I hope he will be able to come back soon."

The king, who was recently diagnosed with a brain lesion, also suffers from diabetes, arteriosclerosis and high-blood pressure.

While in the hospital, King Sihanouk met with acting head of state Chea Sim, the president of the National Assembly, who told him the coalition partners were "willing to resolve (any) problems," the prince said.

Chea Sim returned to Cambodia on Wednesday but did not make any comments on his arrival.

A war of words between the prince's royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the formerly communist Cambodian People's Party (CPP) broke out in March when the royalists threatened to withdraw from the government if the CPP did not follow through on power-sharing agreements made when the government was formed.

CPP leader Hun Sen then said any attempt to dissolve the government would be met with military force.

Cambodia: Khieu Samphan on Two-Headed Regime Conflicts

BK3005124796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 29 May 96

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation and chairman of the National Union Party, by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My respects to Your Excellency prime minister. What are the latest developments?

[Khieu] Yes, thank you. Militarily, the two heads' defeats have become more and more serious as it is raining everywhere now. On top of their being starving, not paid, and short of medicine, the two-headed soldiers are also facing the problems of sleeping directly on the ground without waterproof sheets and in the open. Some of them have been killed by punji stakes, in punji pits, by land mines, or due to malaria. As such, the soldiers continue to flee the battlefield. Although their commanders shoot from behind to force them to advance, they refuse. On the contrary, those soldiers turn their guns on their commanders.

Moreover, the conflict, which used to be political within the two-headed regime, has now become a series of

military clashes. Former FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] elements, former ANKI [National Army of Independent Cambodia] troops, and former Para soldiers of Grandfather Son Sann, who have been constantly pursued and shot at for three years, are currently returning their fire at the communist Vietnamese puppets, particularly those in districts, communes, and villages. The communist Vietnamese puppets' routed troops who have run away to the rear and who have been sought, arrested, and sent back to the battlefield by the communist Vietnamese puppets' administrators in districts and villages have also turned their guns on administrators, and then take to the bush.

As the situation has become increasingly chaotic and tense, the French and American Embassies have now warned their citizens not to wander in Phnom Penh. Earlier, they only asked them to take precautionary measures while travelling outside Phnom Penh; now, they warn them not to stroll unnecessarily even in Phnom Penh.

[Correspondent] Yes. When Hun Sen threatened violence, Ranariddh became frightened and fled to France for a while. However, upon his return, Ranariddh said: First, he will never surrender; second, he demands that power be shared absolutely. What do you think about this problem?

[Khieu] Yes. Ranariddh kept mum about the problem. Why? Because for three years, Ranariddh colluded with communist Vietnam and its out-and-out lackey puppets to kill the nation and people. As the nation and people have not died, communist Vietnam and its out-and-out lackey puppets killed FUNCINPEC and trod on Ranariddh's neck. Now, Ranariddh is imploring them to share power, but how can communist Vietnam and its puppets comply with his request? As Ranariddh has now returned to their grip, communist Vietnam and its puppets will tread on his neck even more forcefully. Should Ranariddh dare say something, they will certainly kill him. The only way for Ranariddh to survive is to stop staying within the two-headed regime with communist Vietnam's out-and-out lackeys Hun Sen and Chea Sim. If Ranariddh does not want to stop, it is up to him.

[Correspondent] Yes. Now, Ranariddh says that a neutral commission should be set up to organize and make sure that the [local and general] elections in 1997 and 1998 are held in a correct, fair, free, and democratic manner. Could you elaborate?

[Khieu] Yes. How can elections be held in a free and democratic manner since the administrations from Phnom Penh down to villages and communes are all

in the hands of communist Vietnam and its out-and-out lackeys. The Communist Party of Vietnam's committees which have been implanted within the almost 5 million Vietnamese populace has grabbed firmly in their hands both the puppet communist party of Hun Sen and Chea Sim and the puppet administrations, be they overt and covert police and army. How can elections be held in a correct, fair, free, and democratic manner since communist Vietnam and its out-and-out lackey puppets have killed [names indistinct], Non Chan, Meas Chanleap, and Ek Mongkol with impunity like that? Recently, the Dac Cong elements, who are Hun Sen's bodyguards, shot and killed Thun Bunli in the heart of Phnom Penh in broad daylight with impunity. The leader of His Excellency (H.E.) Sam Rangsi's Khmer Nation Party (KNP) in Siem Reap was beaten to death with impunity. Seven other KNP members were also beaten and seriously injured with impunity. Photos and lists of KNP members were totally eliminated.

On Monday, 27 May, H.E. Sam Rangsi's party office which had just opened not even an hour before was completely destroyed openly in broad daylight shortly after H.E. Sam Rangsi left. The person responsible for the party office was seriously injured. The reason they were able to act in this manner is that the administrations belong completely to communist Vietnam and its out-and-out lackey puppets.

[Correspondent] Yes. What about Ranariddh's request that so-called human rights, nongovernmental, and UN organizations be included in the electoral commission?

[Khieu] Three years earlier, there was the Paris accord, which was a major international agreement, and UN-TAC [UN Transitional Authority in Cambodia] with 20,000 soldiers and 10,000 civilian staff — 30,000 staff members altogether; over \$2 billion was spent; and UN-TAC directly controlled the electoral offices everywhere but communist Vietnam was still able to cut off those organizations' heads. How about now with FUNCINPEC and Buddhist Liberal Democratic Party (BLDP) of H.E. Son Sann being completely destroyed and the United Nations reducing its staff due to a shortage of funds? What can be done? How can so-called human rights and nongovernmental organizations exert their control?

[Correspondent] Yes. So, what will the situation concerning the 1997 and 1998 elections become?

[Khieu] Yes. I believe that by 1997 and 1998, communist Vietnam and its puppets will be in control of everything. They will have a free hand in giving ballot papers as aims to anyone. Everything will depend on them. Communist Vietnam and its puppets will, however, give aims only to those selling themselves to them in the basest manner, like Ieng Muth, Sieng Lapresse,

and so on. As I said before, communist Vietnam and its puppets could give 50 [assembly] seats to Ranariddh so they can continue to preserve the two-headed label, to [words indistinct] the black-toothed communist Vietnamese, and to secure money from the West. Communist Vietnam and its puppets will order their administrators in villages, communes, districts, and provinces to chase after, shoot, and destroy FUNCINPEC, ANKI, Para, and other political parties more vigorously. Communist Vietnam and its puppets will never allow those parties to conduct electoral campaigns in their presence, under their nose.

As they are in complete control of the administrations, do communist Vietnam and its puppets not have enough available measures to destroy high-level political figures? As they dared to kill Thun Bunli in Phnom Penh in broad daylight, to round up and beat the KNP leader in Siem Reap Province, and to attack and destroy the KNP office in Prey Veng, they will never hesitate to act in other ways. If a person travels by car to carry out his activities in provinces, Communist Vietnam and its puppets will order their Dac Cong elements to ambush him, and they can say that the man was attacked by bandits. Past experiences show that the alliance dares not say a word about that.

[Correspondent] Yes. So, will the conflict that is changing from a political to a military one not become an all-out clash?

[Khieu] Yes. This is a major problem for communist Vietnam and its out-and-out lackey puppets and for the alliance and its puppets. The situation has changed drastically. Even if it digs out Late Ho Chi Minh, Communist Vietnam can never solve the problem. Why? Because:

1. FUNCINPEC, ANKI, and Para elements, who also possess weapons, will certainly not remain with their arms folded and not allow communist Vietnam and its puppets to shoot and kill them like frogs.
2. Are any of our nation's political figures so stupid as to allow themselves to be beheaded by communist Vietnam and its puppets with impunity?
3. If communist Vietnam and its puppets kill people, the latter's corpses, like Thun Bunli's, will certainly crush flat their iron shutters. Not only the shutters but Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, Tie Banh, and so on will be crushed flat as well. As for the two-headed label, it has already vanished now. Even if Ranariddh crawls back to further preserve the two-headed label for Hun Sen and communist Vietnam, the label can no longer wrap the products of the black-toothed communist Vietnamese. The whole world has

already seen communist Vietnam's black teeth. This is the checkmate of communist Vietnam and its out-and-out lackey puppets.

[Correspondent] What about the alliance?

[Khieu] At that time, the alliance will be unable to do anything. Some Cambodians who used to be cheated by the alliance will not allow themselves to be deceived again. I wish to present some examples as follows:

The masses watching Thun Bunli's funeral procession asked each other: Why does the West, which regards itself as the so-called human rights and democracy advocate, come to Cambodia? The masses have clearly realized that the West comes for the sole purpose of sucking the blood and gnawing the bones of the Cambodian nation and people.

[Khieu continues] Even though they have killed scores of Cambodians right under its nose, the West continues to support and finance Communist Vietnam and its out-and-out lackey puppet Hun Sen. The latter arrogantly insults people. He has gone as far as to insult the king and the West, but the West still continues to support him. This shows that the West has colluded with the assassin to kill the Cambodian nation and people and to further war in Cambodia. That being the case, Phnom Penh residents have more clearly realized that the hope that they pin on the West is now fruitless. The only way for them to live on is to join our entire Cambodian nation and people to carry out all kinds of struggles more vigorously.

[Correspondent] Yes. So, will there be a radical change between now and 1997-98?

[Khieu] Yes. It is certain that a radical change will occur within the peasant population. Now, the compatriot poor peasants no longer pin their hope on emptiness. They are all experienced now. In the last rainy season, especially during the past 18th dry season, the compatriots painstakingly waged a struggle themselves and joined the National Army of Democratic Kampuchea and the Provisional Government of National Union and National Salvation to carry out attacks and to dismantle the communist Vietnamese puppets' administrations in villages and communes. Thousands of peasants have freed themselves, liberated their home villages, and wrested back their rice fields. Peasants, specifically millions of poor peasants, will continue this movement.

In the countryside, the force of the poor peasants will certainly crush the communist Vietnamese puppets' administrators in villages and communes as [words indistinct]. In Phnom Penh, as I have already said, the first Thun Bunli corpse, the second Thun Bunli corpse body, the third Thun Bunli corpse, will continue to

crush communist Vietnam and Hun Sen flat. Overseas, our Cambodian compatriots have joined our nation and people at home more closely to crush the old and new enemies until they become completely flat.

[Correspondent] Yes. On 20 May, you warned soldiers, militiamen, and village and communal administrators forced to serve communist Vietnam and its out-and-out lackey puppets to cut loose from them by mid-June. That date is nearing now. Do you have anything else to say about that?

[Khieu] Yes. As I said in my appeal, 15 June is the deadline. The communist Vietnamese puppets' soldiers, militiamen, and village and communal administrators should stop by 15 June. Those who have already been conscripted by communist Vietnam and its puppets should also break loose. As for those being sought by communist Vietnam and its puppets, they should all dodge their conscriptions. If the soldiers, militiamen, and administrators do not know where to flee, they should run away and seek asylum in the liberated-zones nearby. I issue this appeal to save your skin. From 15 June onward, if all of you continue to bark out insults, the poor peasants will act accordingly. I no longer know how to save you because you have already served communist Vietnam and killed the nation and people for 17 years. If no clear prerequisite is imposed, war can never be brought to an end.

Cambodia: Ranariddh's Reconciliatory Attitude Criticized

BK3105024496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 May 96

[Unattributed commentary]

[FBIS Translated Text] Upon his return to Phnom Penh from overseas, this guy Ranariddh announced that power should be shared, power should be shared and that he would never surrender, never surrender. That is, he will never surrender to the communist Vietnamese puppets' communist party and this guy Hun Sen. A few days later, this insane guy, however, shouted that everything is fine, everything is fine. What is fine, anyway?

People say as a dog is fond of excrement, Ranariddh is fond of money. As a dog cannot resist devouring excrement, how can Ranariddh, when seeing money, resist biting? This guy Ranariddh, who becomes intoxicated with money, has foolishly shouted that everything is fine, everything is fine. Actually, nothing is fine, nothing is settled. Nothing.

Communist Vietnam, as well as the parties of Hun Sen and communist Vietnam and the Dac Cong elements, have shot and killed politicians, journalists, the people, and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members right in front of Ranariddh's house. Nobody dares say anything to this guy Hun Sen, who is so infamous worldwide for his fascism. Those from human rights groups, embassies, and the alliance dare not say even a single word.

The masses in Phnom Penh say the embassies in Phnom Penh are like dogs at the gate guarding Hun Sen's house and that this is U.S.-style democracy, this is U.S.-style human rights. The United States' cherished dogs are like this guy Ranariddh, who is easily scared and so chicken-hearted.

Indonesia

Indonesia: Jakarta To Send Back SRV Refugees; 86 PRC Refugees Stranded

BK3005060596 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 30 May 96

[FBIS Translated Text] The Indonesian Government will repatriate 4,000 Vietnamese boat people, following a decision by the UN High Commissioner for Refugees [UNHCR] to no longer provide funds for the boat people. Lieutenant General Suyono, chief of the General Staff of the Armed Forces of the Republic of Indonesia [ABRI], said in Jakarta yesterday that the Indonesian decision to repatriate all the refugees was not solely due to the UNHCR's decision, but also because of the willingness of the Vietnamese Government to readmit its citizens under simple conditions. Galang Island in Riau, which has been temporarily housing the refugees, will be immediately developed by Indonesia into an industrial center.

Meanwhile, 86 foreign boat people, believed to have come from China, were found by the security apparatus in the waters of Musi Banyuasin District, South Sumatra. Maj. Gen. Saryono, commander of the Sriwijaya 2d Military Region Command, said in Palembang that they were stranded in [name indistinct] waters as their boat reportedly ran out of fuel. As many as 39 men, 26 women, and 21 children were found on the boat which was not flying any country flag. The commander of the Sriwijaya 2d Military Region Command asked relevant authorities, particularly the commandant of a naval base, to provide the boat people with necessary aid, particularly food and fuel, so that they may be able to continue their voyage.

Indonesia: Air Force Chief Cites Foreign Aircraft Intrusions

BK2905153996 Jakarta ANGKATAN BERSENJATA in Indonesian 29 May 96 p 12

[FBIS Translated Text] Bandung (AB) — Air Marshall Sutria Tubagus, Indonesian Air Force chief of staff, said Indonesian Air Force planes had detected as many as 70 airspace intrusions by foreign jet fighters from neighboring countries as of May 1996. The foreign aircraft had been intercepted and asked to immediately leave national airspace.

Speaking to ANGKATAN BERSENJATA after he closed the Air Force Staff and Command College's 32d training program for the 1995-96 academic year in Lembang, Bandung, on 28 May, the Air Force chief of staff said foreign aircraft which had intruded the country's airspace would normally leave the area after they had received warnings from Indonesian Air Force planes.

In addition to intercepting foreign aircraft, the Indonesian Air Force would also officially lodge a protest via the Foreign Affairs Department to the embassy of the foreign government involved, which would normally apologize for the incident.

Sutria Tubagus said there are no clear and definite reasons for foreign aircraft's violation of Indonesia's airspace. It is also possible that they might want to test the Indonesian Air Force's readiness to safeguard national sovereignty or they might be doing some kind of intelligence work.

Asked to comment on whether foreign aircraft might have penetrated the country's airspace to drop weapons to GPK [security disturbance movement] members in certain areas, the three-star marshall said he saw no efforts toward that end.

In an effort to modernize the Air Force and uphold national airspace sovereignty, the Indonesian Air Force will gradually increase the number of its aircraft as well as boost the quality of its air bases by upgrading ordinary air bases into tactical ones.

Those upgraded air bases include Blang Bintang air base in Aceh in which one flight [preceding word in English] consisting of three to six jet fighters are stationed; Pekanbaru air base in Riau which will accommodate one squadron of Hawk 100 and Hawk 200 planes respectively; and Supadio air base in Pontianak, which will accommodate one squadron of Hawk 100 planes.

With air defense operations involving modern jet fighters and professional crew members held every 40 days, it is hoped that national airspace will be free from threats.

by those who do not want to see the Indonesian people's progress.

Indonesia: Government: New Political Party 'Unconstitutional'

*BK3105063196 Jakarta MEDIA INDONESIA
in Indonesian 31 May 96*

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta (MEDIA) — The Indonesian United Democratic Party [PUDI], which has yet to conduct any activities since its conception on Wednesday (29 May), was "attacked" from various corners yesterday.

During a coordinating meeting on politics and security yesterday, the government declared that the PUDI, which was established by former MP Sri Bintang Pamungkas, as an unconstitutional organization.

"Based on Law No. 3/1985, we declare the PUDI's existence as unjustifiable and unconstitutional," Susilo Sudarman, coordinating minister for politics and security, said after chairing the coordinating meeting attended by Home Affairs Minister Yogie Suardi Memed, Minister and State Secretary Mardiono, Foreign Minister Ali Alatas, Defense and Security Minister Edi Sudrajat, Justice Minister Utomo Usman, Attorney General Singgih, Mutoyib, head of the State Intelligence Coordinating Agency, and General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI].

Will the PUDI be banned? "I cannot say if it will be banned. Obviously, the birth of a new party is not possible under the current law," he said in reply to a question by a reporter.

Defense and Security Minister Edi Sudrajat said the PUDI's existence was unjustifiable. "It is unjustifiable under several reasons." He said organizations such as the PUDI should not be allowed to exist. "All activities of the PUDI will, thus, be banned."

What will happen if the PUDI remains stubborn? Lt. Gen. Suyono, chief of the ABRI General Staff, said: "The ABRI will not hesitate to take firm action. I will face them if their activities disrupt national stability."

If they plan to open branches, "I will also face them," he said. The reporters pointed out that the PUDI founding fathers said the new political party was not against the law. "Well, they had better stop playing with words. I can say the same thing. I can hit them if the party is not banned," Suyono said.

The "attack" also came from Surabaya. Maj. Gen. Imam Utomo, commander of the Brawijaya Fifth Military Region Command, said he would ban the PUDI in East

Java. He asked the East Java people not to make room for the PUDI in the region "because the new party is unconstitutional," he told reporters after attending a workshop at Juang '45 Building in Surabaya yesterday.

Rejection

The United Development Party [PPP] and the Indonesian Democratic Party [PDI] have refused to cooperate with the PUDI in becoming the opposition. Both Hamzah Haz, chairman of the PPP Central Executive Council, and Fatimah Akhmad, chairwoman of the PDI Central Executive Council, said Sri Bintang's appeal for a coalition was unacceptable. "How can we join them, because one party is constitutional, while the other is unconstitutional. If they want to join us, please become PPP members," Hamzah Haz said.

Fatimah Akhmad expressed her disapproval of the new party. She said: "If they do want to channel the people's aspirations, they could do so through the existing sociopolitical organizations instead of forming a new party." She hoped that the the PUDI founding fathers would not become a white group [those refusing to cast their ballots in general elections], "because the PDI keeps its doors open for them to join the festival of democracy to determine the nation's future."

Tosari Wijaya, secretary general of the PPP Central Executive Council, however, expressed his respect for Sri Bintang's political struggle. "That is the right of every citizen. He cannot, however, enter the political scene right now. It is impossible to do so under present circumstances," he said, adding that the PPP is not responsible for what Sri Bintang has done.

Suparman Akhmad, chairman of the ABRI Caucus in the House of Representatives, deplored the fact that Sri Bintang and his friends read the 1945 Constitution incongruently. "At present, many people speak as moralists. The government should not allow itself to be ridiculed by the PUDI," he said.

Agung Laksono, chairman of the Functional Group [Golkar] Central Executive Council, urged the government to ban the PUDI. According to him, the PUDI's existence violates the law. Agung said the PUDI founding fathers had disregarded the law. According to him, the PUDI is very dangerous for political life because its founding fathers have urged the people not to implement the law consistently by joining the white group.

Considering the "attack" from various corners, K.H. Wahid Zaini, chairman of the Nahdlatul Ulama [Association of Muslim Scholars] Central Executive Board, believed that Sri Bintang's aspirations would die half way, because the law on political parties and the Golkar did

not allow the birth of a new political party. "If Bintang persists in his struggle, I think he will face difficulties. There will be a different situation if all sides do want the party," he said.

Thailand

Thailand: Counter Trade Accord Signed for Purchase of F-18's

BK3105091396 Bangkok MATICHON in Thai
31 May 96 p 10

[Unattributed report]

[FBIS Translated Text] A counter trade contract for the purchase of F-18's for the Thai Air Force was signed at the Foreign Trade Department on 30 May between Foreign Trade Department Director Pracha Charutrakunchai and Mark Berkemper, contract and international product pricing specialist for McDonnel Douglas.

According to Pracha, the Foreign Trade Department signed the contract with McDonnel Douglas — the supplier of the eight F/A-18 C/P's — in its capacity as secretary of the Counter Trade Subcommittee. The value of the purchase contract is about 10.039 billion baht. The purchase is part of the Air Force project to acquire aircraft to replace the existing attack aircraft squadron.

The value of the counter trade is 25 percent of the purchase contract, or about 2.325 billion baht. The products that McDonnel Douglas must buy from Thailand as counter trade include frozen chickens, rubber and rubber products, tapioca flour and modified starch, plastic products, ceramic products, leather shoes, toys, garments, rice, canned pineapple, frozen fruit, flowers, wooden and steel furniture, and frozen shrimp. Products bought under the counter trade contract cannot be resold in Thailand's existing markets. Canned pineapple, for example, cannot be resold to the EU, frozen chickens cannot be resold to Japan, and ceramic products cannot be resold to the United States.

The contract with McDonnel Douglas is the 13th counter trade contract in the past two years. The total value of counter trade deals during these two years amounts to 5.616 billion baht.

Pracha said his department will sign a counter trade contract in June for the purchase of supercomputers for the Meteorological Department worth about 1 billion baht. The value of the counter trade for that purchase will be 30 percent. There are 10 other procurement projects for the Communications Authority of Thailand and the Provincial Electricity Authority that will involve counter trade deals.

Thailand: New Finance Minister Predicts 10-Percent Growth Rate

BK3105032496 Bangkok BANGKOK POST
in English 31 May 96 p 15

[Report by Wichit Sirithawiphon]

[FBIS Transcribed Text] Finance Minister Bodi Chunnanon yesterday said he was confident that growth would reach 10% this year without the national economy overheating.

The statement, made at a meeting of senior officials on his first day in office, came as a surprise because it brought into question the current macro-economic policies of key players such as the National Economic and Social Development Board and the Bank of Thailand.

Both organisations have expressed concern about the fast-growing economy and have worked to keep inflation in check.

Since last July, the central bank has followed tight monetary policies, trying to control consumer spending and cap lending. It has warned that if the pace of development is too rapid, inflation could soar, the current-account deficit widen and production costs increase.

As well, the effects of an overheated economy could take a long time to heal, with wage earners and senior citizens with their limited pensions proving vulnerable to out-of-control inflation.

But Mr. Bodi told officials at the meeting that gross domestic product growth of 8-10% per year would not lead to overheating. He noted that growth over the past few years had topped 8.5%.

He said it would not be easy to keep inflation to the 5.5% target, but a rate of 5.7% per year would be acceptable. The statement signalled his belief that inflation could be controlled within limits and would eventually edge down to 5.1%.

By the end of the year, he predicted that inflation would cool down to below 4% in some months.

Mr. Bodi said the Finance Ministry had come up with a set of supplementary fiscal instruments to keep the inflation in check, but said it was too early to provide details.

The Opposition earlier criticised fiscal policies initiated by the Government, saying its overspending would trigger inflation.

The current-account deficit target for 1996 is 8% of GDP. The figure now stands at 8.1% of GDP or 365 billion baht.

Mr. Bodi said the Government would work to strengthen financial institutions, capital and money markets so that they could operate under market principles and without state intervention.

He also promised that long-term measures would be implemented to deal with the current-account deficit, local savings would be promoted and tax fraud checked more rigorously. As well, the budget appropriation process would be speeded up.

Thailand: Dailies Comment on Cabinet Reshuffle

BK3005130996

[FBIS Report] Three Bangkok Thai-language dailies — MATICHON, SIAM RAT, and THAI RAT — on 30 May carry editorials on the recent cabinet reshuffle.

MATICHON's 500-word editorial on page 20 entitled: "The Banhan-3 Cabinet and Problems Which Must Be Solved," says that when the list of 11 ministers under the "Banhan-3 cabinet" was announced on 28 May, the public did not seem to be disappointed with the new cabinet line-up as it had been during the announcement of the "Banhan-1 cabinet." This is because inexperienced ministers and those who were heavily grilled during the recent no-confidence debate were dropped from the cabinet in line with public demand. However, this does not mean that the public welcomes the new cabinet.

The editorial points out that "Prime Minister Banhan Sinlapa-acha still concurrently holds the interior minister post. This shows that Banhan still does not trust any person in the party or that he will open up a chance for an outsider to take up this post. The holding of dual posts is not administratively effective. The 'Banhan-3 cabinet' comprises the same seven parties, which have been marked by conflicts over the past 10 months. Thus, conflicts will continue among the coalition parties." The editorial also says that since new Finance Minister Bod Chunnanon, former director of the Budget Bureau, is a government official who used to work under the supervision of politicians, he would have to face conflicts with politicians who want to spend the national budget.

In conclusion, the editorial says that the new cabinet must step up efforts to resolve various problems, especially the issues which have been revealed by the opposition and the mass media, such as the Ko Samet land scandal and the instability of the Bangkok Bank of Commerce. The new Cabinet must solve these problems. Covering up these issues will not be good for the government.

SIAM RAT's 450-word editorial on page 6 entitled: "After the Cabinet Reshuffle," says that "after the an-

nouncement of the appointments of 11 cabinet ministers on 28 May, Prime Minister Banhan Sinlapa-acha said the cabinet of 47 ministers was adequate to administer national affairs. He did not reserve the two vacancies for the 'Thoet Thai' group. He said that there is no bargain from the group since they have reached an understanding."

The editorial says that there will be both satisfaction and dissatisfaction over the cabinet reshuffle as was the case with previous ones. Some parties will be patient enough to wait for a new reshuffle which may take place after the celebrations of the golden jubilee of His Majesty the King's reign in June. The spokesman of the opposition Democrat Party pointed out that after the reshuffle there was not much change in the new government. The reshuffle is just a time-buying tactic to reduce public pressure.

The editorial concludes that "the cabinet reshuffle, just like other affairs, must be aimed at improving the situation. If there is no improvement, there may be another cabinet reshuffle or even a house dissolution to pave the way for a new general election."

THAI RAT's 500-word editorial on page 3 entitled "The Gap of Credibility," says the opposition MP's have pointed out that the cabinet reshuffle will not help improve the image of the government. The new cabinet is no different from the old one even though the ministers who had a bad image were not reappointed. The negative image of the government is the credibility of the prime minister after the government hastened to close the no-confidence debate. The cabinet reshuffle resulted from the opposition's no-confidence debate.

The editorial comments that "the prime minister met public demand at a certain level by not reappointing the ministers who had an image problem. But, he still failed to meet the demand to appoint a capable professional with experience in financial and fiscal affairs to take up the finance minister portfolio. In contrast, he appointed Deputy Prime Minister Amnua Wirawan, a leading expert in financial and fiscal affairs, to concurrently hold the foreign minister post. This is because of problems within the Nam Thai party and because the prime minister wants a person close to him to control the monetary affairs of the country." The editorial also says that since the quota system is used in the allocation of cabinet seats, capability and suitability are ignored. So, it is difficult to expect any improvement in the national administration and in handling problems.

In conclusion, the paper says that the prime minister's credibility has not been resolved. The head of the government still fails to clear the opposition's and the people's accusations and doubts concerning his master's degree thesis, his father's nationality, and his birthday. At the same time, he concurrently continues to hold the interior minister seat due to conflicts within the Chat Thai Party.

Vietnam

SRV: Article Comments on National Defense, Renovation

962E0041A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 96 pp 37-38, 60

[Article by Tran Bach Dang: "National Defense After 10 Years of Renovation"]

[FBIS Translated Text] Vigorous preparations are being made for the holding of the Eighth National Congress of the Communist Party of Vietnam [CPV]. Realities in our country require that the congress should not only review the situation since the seventh congress but also to look back further—on the sixth congress, the congress that officially launched the renovation undertaking. Naturally, there are two criteria for evaluating all developments over the past 10 years of renovation: one is the 10-year period following complete national liberation in which there was no renovation, the other is the demand of development during the last five years of the 20th century leading to the 21st century, in the conditions of relations that represent both opportunities and challenges after Vietnam became the seventh member of ASEAN and Vietnam-U.S. relations were normalized.

It would be no exaggeration to say that Vietnam is in an unprecedently favorable situation prior to the holding of the eighth party congress. The indexes of agriculture, industry, resource exploitation, and communications, and many other indexes have accurately reflected the changes that we would not have dared dream of in the past. Although Vietnam has not risen above the level of a poor country in terms of absolute or per capita gross social product, generally speaking the improvement in the people's overall standard of living has been encouraging. To be precise, we should point out that the 10-year period of renovation also includes a relative long span of time—at least more than half of that period—devoted to preparatory work; the real time stretch in which renovation has actually exerted its useful effects is only four years, and that in an international environment that should be described as very harsh at the outset.

Renovation still has a long, very long way to go, but what we have achieved constitutes a guarantee of future success.

We should have no illusions about living in some sort of harmony with all forces which have no taste for an independent and powerful Vietnam or a Vietnam that chooses its own way of life. Integration into the world is not a tourist trip but a struggle to exploit integration with the aim of enhancing the position, force, and capability of Vietnam and preserving at all

costs the Vietnamese roots, the Vietnamese soul, and the Vietnamese intelligence. Here, if we exaggerate the opportunities and overlook the dangers or exaggerate the dangers and let slip the opportunities, we will have done a great disservice to our ancestors, to the CPV's very own achievements and, more recently, the fruits of renovation over the past 20 years. Our advantages are a reality, despite the potential difficulties. If we root for opportunity unconditionally, we will be easily dazzled and get lost and later on may have to pay an exorbitant price for prosperity.

We need to take a serious view and make a sober, objective assessment of all the developments spurred by us and by inevitable pressures.

It is not just that we must be on the alert because Bill Clinton, in his statement on normalizing relations with us, said that his decision was aimed at turning Vietnam into a country like the Soviet Union and East Europe after the collapse of the socialist camp. In this case, the U.S. President's statement has been considered to be unprecedented—if we do want to say outrageous—in the history of diplomatic relations between independent and sovereign states. To become another Soviet Union? To become a tragedy of a power comprising 15 mighty associated states that was suddenly broken up, injured, and weakened?

The national defense of a country reflects three things at the same time: stability or instability of the political, economic, and social situation; the extent of activities in various forms of internal and external hostile forces; attachment between large sections of the population and the regime, and the country's ability to defend itself. These three aspects, which are dialectically related, serve as the basis for determining our defense strategy and strength.

Naturally, on the foundations of renovation, national defense must also be renovated. Surely enough, in the advance to modernization, we are not going to be able to build a modern national defense system overnight. For a poor country advocating "friendship with states and nations," the path to modernization must closely follow its level of national development and foreign policy.

Within a short period of time, some important progress has been made in our national defense. First of all, we must mention the people principally in charge of defense: Here, the standard of living of officers and enlisted men has initially improved, even in inaccessible localities such as remote border areas and faraway offshore islands. Next, we must note the fact that the contingent national defense personnel has gradually begun to admit well educated, physically fit, and young cadres and workers who are trained in a relatively

comprehensive manner to serve as the core force on the path to building a well-trained Army. Third, on the basis of firmly maintaining the party's leadership role, the national defense sector is being institutionalized step by step and management by the state strengthened. Fourth, national defense activities are no longer separated from social activities and have begun to be turned into a national economic development component in the domain of industrial and agricultural production as well as in the service sector and a number of scientific, technical, and technological branches through various joint venture with other countries. National defense activities have also contributed to cultural and social development and to the preservation of national cultural characteristic and traditions. Fifth, the national defense system in general and the Army in particular are increasingly well equipped to provide society with good, educated, and skilled citizens of high quality after these people—whether they are party or youth union members or not—have fulfilled their direct defense duties.

This progress, though not perfect—there remains a great many flaws to be overcome with patience—is still an indication of a highly promising transformation. To take notice of the positive change in the national defense system is to take notice of a hard struggle under the conditions of the transition from war to peace, from the state-subsidy system to market economy, from restricted external relations to open-door policy and integration, from depending on other countries for equipment to self-reliance....

Of course, weaknesses and shortcomings in national defense are inevitable. I am not talking about the military equipment and techniques that we must have in the future in modest but still adequate amounts for the defense—and defense only—of our country, which has vast sea areas, immense mountain and forest regions, and an airspace situated at the crossroads of international air routes. Experience has shown that it is a good thing to have the national defense sector engaged in economic work; but if national defense is mixed up with economic building, if economic work is not aimed at strengthening national defense, and if economic work is carried out by exploiting national defense potentialities, then the danger of national defense going into a decline is not hard to explain. By the same token, it is a good thing to have the armed forces contribute to the economic, cultural, and social life, but we must be on the alert for the negative effects of the market mechanism such as the pragmatic and individualist way of life, corruption.... At present, all our Army officers and men, including draftees, are given basic training and have an increasingly higher and more even level of education. Therefore, if the leadership,

command, and specialized components fail to keep pace with this change, it will be difficult for us to enhance our defense capability. And last but not least, negligence in political indoctrination and in education in ideals, and belittlement of the party's leadership role, the state's management function, and the role of the Ho Chi Minh Communist Youth Union will result in disaster.

It is not true that the strengths and weaknesses of a national defense system are exposed only when there is trouble. During peacetime, when socioeconomic development determines national development, the national defense system is still a reliable prop to economic growth and political stability.

The 10 years of renovation have had a significant impact on our national defense system. Vietnam's national defense has a very long history and has manifested itself in a great many situations in various periods of time lasting thousands of years. An outstanding point is that Vietnam has never had a stronger material force than that of the foreign aggressors. In reality, under various dynasties, Vietnamese generals had never slavishly followed military manuals, even if they were written by the most talented strategists in the world. For this reason, renovation in national defense in Vietnam had actually begun in the times of the automatic crossbow of King Thuc Phan [of the Thuc Dynasty of ancient Vietnam, circa 255 BC]. People's war in various periods of time has been practically a decisive renovation because the wars in Vietnam have usually been wars of national defense and wars for a just cause. The wars of resistance since 1945 have proved that truth. Our nation and regime entertain no territorial ambition; we are only determined to keep what we have got. Unity between the party and state in national defense is our foremost strength. Past renovation efforts have increased that strength; renovation henceforth will further augment it.

SRV: Certificates of Origin Issued for ASEAN Markets

*BK3005151996 Hanoi VNA in English
1412 GMT 30 May 96*

[FBIS Transcribed Text] Hanoi VNA May 30 — Vietnam has begun to issue its own certificate of origin (CO) for commodities made in Vietnam and exported to Association of South East Asian Nations (ASEAN) countries to ensure preferential tariff treatment.

Vietnam became a full member of ASEAN in July last year.

The preferential treatment is accorded by the common effective preferential tariff (CEPT) treaty which has been signed by all members of ASEAN.

The CEPT treaty rules that certain commodities manufactured in ASEAN member countries are entitled to enjoy import duty rate cuts.

Goods able to be granted Vietnamese CO's must meet one of two conditions. They must be a product entirely made or harvested in Vietnam or a product that has 40 percent of its content sourced from an ASEAN member country (including Vietnam) but has its final production occurring in Vietnam.

The CO's will be labelled "product of Vietnam". The Ministry of Trade organised a meeting in Ho Chi Minh City on Monday for domestic businesses to announce the new CO's, and two more meetings will be organised in Hanoi on Friday and in the central coast early next month.

The Trade Ministry said that its import-export bureaus located in major cities such as Hanoi, Ho Chi Minh City, Da Nang, Nha Trang and Can Tho in [words indistinct] Mekong Delta will be responsible for the issuing of CO's to domestic manufacturers.

SRV: Customs Director Comments on Fight Against Smuggling

BK2905093496 Hanoi VNA in English 0808 GMT 29 May 96

[FBIS Transcribed Text] Hanoi VNA May 29 — The Customs Service considers the fight against smuggling its task of primary importance, the director of the Vietnam General Department of Customs Phan Van Dinh said in a recent interview with the HANOI MOI daily.

According to Mr. Dinh, by early May, the Customs Service had discovered 3,929 cases of smuggling, made confessions and given fines worth VND [Vietnamese dong] 102 billion. Some of the crimes included the illegal import of 18.1 kg of heroin through Ho Chi Minh City's Tan Son Nhat International Airport the illegal export of 5.1 kg of heroin through the Noi Bai Airport and the smuggling of 106 precious stones, 462 antique items, 6,552 publications of different kinds, 200 mine fuses, USD [U.S. dollars] 582,000 and 229,000 yuan.

Most of these cases were discovered at northern or southwestern border gates and in big cities.

This year, the Customs Service expects to collect VND 18,000 billion (USD 1.6 billion) in import-export taxes, and in the first four months of this year, the service collected VND 4,400 billion (USD 400 million) in import-export taxes, an increase of 25 percent over the same period last year, said Mr. Dinh, adding that the service has simplified immigration and import-export procedures.

From now to the year 2000, the Customs Service will concentrate efforts on building a 'clean' contingent of staff and raising their knowledge in accordance with the socio-economic development, the director said, emphasizing that the decisive key factor in the modernisation of the service was the base knowledge of Customs officers.

The service is restructuring its organisation, improving its control in the field, and developing cooperation with relevant branches, localities and foreign customs services, while at the same time urgently adjusting the policy on customs and export-import taxes, and developing a system of goods coding in accordance with ASEAN regulations, Mr. Dinh said.

SRV: Inflation Rate Drops to 'Record Low' of 3.8 Percent

BK2805125596 Hanoi Voice of Vietnam in English 1000 GMT 28 May 96

[FBIS Transcribed Text] Vietnam's inflation rate for the first five months of this year has dropped to 3.8 percent, a record low for many years now.

The inflation rate registered for January-May period last year was estimated at six percent, about half of the average inflation rate last year of 12.7 percent.

SRV: Ministry Holds Conference on Labor Disputes, Strikes

BK3105050396 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 May 96

[FBIS Translated Text] The Ministry of Labor, War Invalids and Social Welfare on 29 May held a conference on labor disputes, strikes, and brutal acts by foreigners' against Vietnamese workers.

Reports at the conference disclosed that during the period from 1989 to March 1996, there were 214 cases of labor disputes and strikes nationwide, 32 of which were cases of brutal acts against Vietnamese workers committed by foreigners, these included manhandling and violation to dignity of the workers.

To promote healthy labor relations, reduce strikes, and stop brutal acts against Vietnamese workers, the conference proposed that the State quickly promulgate legal documents to guide the settlement of labor disputes and to impose administrative penalties for violations to the Labor Law.

The conference also called for efforts to review and supplement a number of provisions of the Law on Foreign Investment in Vietnam, to design appropriate measures against foreigners who committed brutal acts

and manhandled against or violated the dignity of the Vietnamese workers, and to immediately set up agencies for the settlement of labor disputes and so forth.

SRV: Vo Van Kiet Marks Anniversary of Power Line's Operation

*BK2805091996 Hanoi VNA in English
0642 GMT 28 May 96*

[FBIS Transcribed Text] Hanoi VNA May 28—The Trans-Vietnam 500KV power line, put into operation in May 1994, has transmitted 4.775 billion KW of electricity to the central and southern Vietnam over the last two years, putting an end to the chronic power shortage in these regions and meeting the increasing demand for electricity. A get-together was held here yesterday to mark two years of safe operations for the line in the presence of Prime Minister Vo Van Kiet and Industry Minister Dang Vu Chu, among others.

Electricity for the line comes mainly from the Hoa Binh Hydro-Electric Plant, the largest in Vietnam, which now has all eight turbines operational (1,920MW in total), and a number of thermal-power plants in the north under upgrading which is also assisting the recovery of the coal mining industry. As a result, electricity output has increased by 15 percent in 1994 and 19 percent in 1995.

Built in a record time of 26 months, the trans-Vietnam high-voltage line will, in the long run, enable maximum exploitation of power plants across the country and open new possibilities for cooperation in the field of energy with neighbouring countries, especially countries in the Mekong basin.

SRV: Article Discusses Elimination of Bureaucracy, Corruption

BK3005104696 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 23 May 96 p 2

[Article by Le Van Khuyen: "The Party, State Should Take Drastic Measures To Eliminate the Root Cause of Bureaucracy and Corruption"]

[FBIS Translated Text] After reading the draft political report of the seventh party Central Committee to be presented at the Eighth National Party Congress, I am still worrying about corruption and bureaucracy, the two social evils that our party has not taken drastic measures to resolutely eliminate, thus diminishing the people's confidence in the party.

Concerning corruption, I think it is a crime that is unfaithful to the people and detrimental to the nation. The death penalty should be imposed on this crime. Although the death penalty is a heart-rending measure, yet to protect the people's livelihood we should impose

it. An old saying goes: "eliminate the bad one to save tens of thousands of people." During the war of resistance against the French, Uncle Ho approved the death penalty for Tran Du Chau, a former colonel, found guilty of corruption. It is essential to seriously enforce the state law to ensure political stability and maintain social safety on a long-term basis.

Regarding bureaucracy, it can be said that all social vices shall prevail as long as bureaucracy exists. This can be likened to a family where parents do not take good care of their children, do not pay close attention to educating them, nor take coercive measures to train children to be conscientious in their studies and work, so sooner or later their children will be spoiled. Bureaucracy now exists not only at the higher level, but also at the grass-roots level, the wards, villages, organizations, and enterprises. Since the unification of the country, a number of cadres and party members have ceased to work closely with the people. All directives and resolutions of the party and state reached the people through conferences or the mass media network; not through verbal propaganda form as in the past. As a result, the higher echelons did not know much about the results of their implementation at the grass-roots level. Most inspection trips made by high-ranking officials were notified in advance, and they hardly got in touch with the people. Uncle Ho and leading comrades of our party consistently maintained and educated our cadres on working closely with the people. While still alive, Uncle Ho — though later becoming old and weak — always paid close attention to the people and wanted to visit them to observe their real situation.

There are many corruption cases in our country at present. Particularly, in the rural and remote areas, there are cases of injustice and violations of laws and disciplines which have not been settled by the higher echelons due to lack of evidence. This can be likened to a competent physician who could not effectively treat his patients because he did not get in touch with them to diagnose their ailment. As a result, to carry out inspection work to firmly understand the real situation is a decisive task for the party leadership. Regarding this issue, I would like to propose the following:

1. To carry out party control work, it is necessary to formulate regulations and principles on and create conditions and effective methods for the task. Secretaries of party chapters should file reports on thoughts and actions of party members on the basis of the five tasks set for party members so that party chapters can update information and the higher echelons can understand the real situation to make recommendations or take measures to overcome shortcomings.

2. Each echelon of the party committee, depending on their condition and situation, should reserve a specific time each month or quarter to visit the grass-roots level to inspect the situation there.

3. Chiefs of sectors are duty bound to pay a monthly or quarterly visit to the grass-roots units of their sectors or circles to inspect and hear the people's aspirations and to report this to party committees and the administration of the same level. Efforts should be made to collect people's comments on their sectors or circles while finding out about cadre and party members who have negative attitudes and those who have positive ones.

4. The sacred duty of each party member is to be absolutely loyal and honest to the party. When a higher echelon party committee detected a negative report filed by a party member especially by a secretary of the lower echelon party committee due to a careless inspection or a lack of loyalty to the party, they must take disciplinary action against these party members including expelling them from the party.

We should not be in great fear of or reluctant to punish, with the maximum penalty possible, those cadres who hold high positions of authority when they have made big mistakes or have committed erroneous acts. The most beautiful flower garden always has faded blossoms, frayed branches, and wild grass. This is the law of natural selection. A competent gardener who has insight will consistently weed wild grasses, eradicate worms, water the roots and trim branches of flower plants, collect fallen leaves, and slash decayed and frayed plants... so as to maintain a fresh and ever green flower garden. Since its establishment, our party has followed the path chosen by Uncle Ho. The more we advance further, the brighter the path we can see.

After only 10 years of renovation, Vietnam has changed substantially. Compared with the pre-liberation period, our people's livelihood has changed dramatically.

A nation that knows how to win the United States will absolutely know how to triumphantly eliminate bureaucracy and corruption.

SRV: Political Institute Official on 20 Years' Achievements

962E0042A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 96 pp 57-60

[Article by Colonel Nguyen Van Du, Deputy Director at the Political-Military Institute: "20 Years of Achievements at a Training Center for Political Cadres at Detachment Level"]

[FBIS Translated Text] After the South was completely liberated and the country reunified, to improve the

quality of the contingent of Army cadres in response to the requirements of the new situation, the Military Commission of the Party Central Committee and the Ministry of National Defense adopted a policy aimed at strengthening the military school system. Implementing that policy, on 14 January 1976 the Military Officer School (later on called the Political-Military Officer School) was founded on the basis of the elementary training system of the Political Institute.

After 20 years of striving and building, the Political-Military Officer School (now a component of the Political-Military Institute) has fulfilled all the tasks assigned by the upper echelons including the key, regular task of training political officers at the detachment level. At the same time, the school has achieved a number of other expanded tasks such as training teacher of political theory for military officer schools, military press reporters, military legal cadres, and political cadres for the Lao and Cambodian armies.... The school has developed comprehensively and has responded ever more satisfactorily the demands of a center that has a military as well as an educational character and that also serves as a political-military theoretical research establishment. To date, the school has given hundreds of courses, training more than 10,000 students who, after graduation, have become the core force to carry out party and political work at the detachment level in nearly all units of the Army. In recognition of its performance, the state has honored the Political-Military Officer School with one Military Service Order First Class, one Military Service Order Second Class, and one Military Exploit Order Second Class. In addition, nine collectives and 72 cadres and trainees at the school have been awarded the Military Exploit Order of various classes. In particular, trainee Phan Dinh Linh, a war martyr, was posthumously honored with the title "Hero of the People's Armed Forces." The school has also been granted the title "Progressive Unit" by the Ministry of Secondary Vocational and Higher Education (now called the Ministry of Education and Training) and awarded the "Emulation Banner" by the Ministry of National Defense.

One of the basic factors enabling the Political-Military Officer School to fulfill its tasks and achieve maturity has been the fact that *at an early date, the school has correctly determined its training orientation and objectives and, on that basis, has actively renovated the entire training process.*

In organizing the implementation of the school's tasks, the Party Committee and School Board have always based themselves on the line and tasks of the revolution, the military line and tasks, the guidelines for building the school's contingent of cadres, the guidelines for the school's work to determine appropriate training ori-

tation and objectives. Specifically, in recent years, they have acted under the direct guidance of Resolution 115, Resolution 79, and Resolution 93 of the Standing Committee of the Military Commission of the Party Central Committee. The pervasive, fundamental principle determining the school's training orientation and objectives over the past years has been the requirement that training should be basic, comprehensive, systematic, specialized, and practical to meet long-term basic demands while supporting the performance of immediate tasks; that political work should be closely combined with military activities; and that the school should be closely linked with the battlefield, units, and society. On the basis of those training orientation and objectives, the Political-Military Officer School has renovated the entire training process, in particular its basic elements such as study subject, program, and method of training the contingent of cadres and teachers. The school has also renovated its training facilities.

The Political-Military Officer School has gradually streamlined its training programs and subjects to ensure both their basic and practical characters and to accommodate the developmental trend of the situation and the Army's tasks as well as the realities at the grassroots unit, the general developmental trend of society, and more recently, the demand for integration into the general training system of the entire country. To meet the demands for cadres of the grassroots units, the school has had to simultaneously applied several training formulas calling for different training time lengths, subjects, and methods. Renovation of the training process has also been closely linked with the need to diversify training subjects, programs, and methods. Since the 1984-1985 training year the school has applied the curricula of advanced military institutes. Implementing these curricula, which replaced those with 10-odd study subjects applied in the earlier days, the school has increased the number of study subjects to nearly 30. Proceeding from the intended use of cadres and from the reality that, in recent years, although trainees have been carefully screened and their level of knowledge has improved, their practical military training and social experience have been limited, the school has paid special attention to providing students with military training and improving their capability to perform the functions of political cadres. To enable trainees to meet ever more satisfactorily the requirements of the tasks of training, maintaining combat-readiness, achieving standardization.... in their units, the school has increased the amounts of time devoted to military training, exercises, and practice by more than 40 percent. Each year the school sends trainees to grassroots units to directly practice party and political work. In February 1979, while engaged in field practice, trainees

of the school had directly took part in combat activities and recorded outstanding achievements. In addition, the school has also intensified its extracurricular activities with diversified, lively contents and forms. To enhance and broaden trainees' knowledge while providing them with comprehensive training, the school has carried out research and introduced into its curriculum several new subjects such as Ho Chi Minh thought, religious studies, ethnology, the state and the law, economic management, population-environment-development, English, Chinese, computer science....

To enhance training efficiency, all sections of the schools—from the organs in charge of directing and managing the training process to the various departments and subject-study groups and trainee management cadres have carried out research on and established a system of operating standards, procedures, regulations, and methods tailored to the requirements of each training subject and the needs of each student. The initiative and self-consciousness of trainees are upheld and closely linked with teachers' and management cadres' organizational and guiding responsibility.

Along with those efforts, the Political-Military Officer School has concerned itself with providing educational and training facilities. It has built and improved a system of military drill grounds and has carried out research on and compiled social sciences textbook for its own use and for other officer schools. Recently, it built and put into operation a computer learning center and a foreign language study center complete with advanced equipment and techniques, creating favorable conditions for trainees to acquire knowledge necessary for them to integrate into the general development of social life.

The Political-Military Officer School has renovated cadre-related work, with concentration on improving the overall capability of cadres and teachers being determined as the key to the successful implementation of its training orientation and objectives. Improvement of cadres' standards has been carried out by means of several measures, such as sending cadres and teachers to various institutes both in and outside the Army to study and do research, organizing scientific studies, sending them to grassroots units to provide military training, encouraging them and creating favorable conditions for them to improve themselves. The school has regularly invited theoretical and social and military science researchers to brief cadres and teachers on their special fields of study. Since 1978 the school has cooperated with the University of Hanoi in opening on-the-job literature and history classes for cadres, teachers, and trainees. Recently, implementing the policy of providing the contingent of officers with college education, the school has actively sent cadres out to do post-graduate

research and to improve on their college education. To give support to training work and to inculcate cadres and teachers with scientific thinking, the school has done scientific research at all four levels: state, ministerial, school, and department. From 1991 to 1995 a total of 246 studies have been verified and applied. To date, the overall standard of the school's contingent of cadres and teachers has markedly improved. In the last five years, good teachers have accounted for from 12.5 percent to 29.6 percent of the total number of teachers annually, and one has been awarded the title "Outstanding Teacher" at the state level. When the school was first founded, college and high-school graduates accounted for only 4 percent and 25 percent of its cadres and teachers respectively. Today, 100 percent of the school's cadres have received formal training, and there are among them one assistant professor, eight MA's, and five agreges; postgraduates now account for 21 percent of the teaching staff; and 100 percent of the social sciences and humanities teachers are college graduates.

The second outstanding feature is that *the school has developed a healthy political and educational environment to serve as the basis for fulfilling the tasks of a training center for political cadres at the detachment level.*

Development of a political and educational environment is an extremely necessary condition for the training and maturation of trainees. This task has been carried out by the school in conjunction with the task of building comprehensively stable and strong units, with the greatest efforts being concentrated on improving party organizations' leadership capability and militancy and the contingent of party members' vanguard and exemplary role. The school has brought into full play the management and administrative functions of the School Board and the roles of various organizations. In carrying out party building work, the school's party organization has scrupulously implemented the Resolution of the Third Plenum of the Party Central Committee on Party Revivation and Reorganization, and has advocated linking the building the contingent of party members with the building of the contingent of cadres. Each year, the school's Party Organization admits hundreds of new member from among the trainees. Carefully educated and trained, the new party members have put to good account their vanguard, exemplary role and have enhanced their Communist partisanship and political ability. In considering people for party membership, the school has resolutely opposed the tendency to go for quantity while neglecting quality.

In view of the complicated developments in the world and regional situation, especially the collapse of the Soviet Union and East European socialist countries, and in view of the shifting of our economic system to socialist-

oriented market economy, the Political-Military Officer School has attached the utmost importance to the task of providing political and ideological orientation for all people, especially its cadres, teachers, and trainees. Its party chapters have exerted their leadership, thereby preventing vacillation and wavering in viewpoint and ideology or degradation under the effects of the seamy side of the market economy. For several years in a row the school's Party Organization has met the standard of purity and stability; since 1991, none of its party chapters has been rated weak and deficient. The school's mass organizations have been strengthened and have brought into play their functions in accordance with their powers. Many major issues such as unity, democracy, and internal discipline have been correctly resolved by the school. This has helped foster political and ideological stability and create an atmosphere of unity and enthusiasm to serve as a favorable prerequisite for fulfillment of the school's tasks.

Recently, the task of developing a political and educational environment for the Political-Military Officer School has been stepped up and closely linked with the efforts to meet the requirements of standardization and development of a cultural environment in accordance with the directive of the Standing Committee of the Military Commission of the Party Central Committee and the implementation guidelines of the General Staff and General Political Department. To meet these requirements, aside from improving the quality of various movements, enabling these movements to operate regularly, observing training procedures, and ensuring the conditions for material and intellectual life in its internal ranks, the school has attached great importance to expanding cultural and social exchanges with the locality where it is located and with friendly schools and units. In these activities, the force of trainees always plays the central role. Trainees not only study theories, viewpoints, and principles; proper conditions are also created for them to participate step by step in organizing their implementation. This is also a training process aimed at helping trainees steadily improve their professionalism and personality.

The achievements in training and building of the Political-Military Officer School in the past 20 years created a basis for strengthening confidence and mobilizing the forces of the entire school to fulfill more demanding in the future in the conditions of new developments in its staff and organization. As of the 1995-1996 academic year, the school merged with and became a component of the Political-Military Institute; and the Ministry of National Defense has entrusted the school with raising the task of training detachment-level political cadres from its advanced-school level to the

college level, beginning with the 1996-1997 academic year. The biggest problem on which the school is focusing its attention is how to improve the quality of training to enable graduates from the school to assume the political responsibilities of a deputy company commander. This calls for solution of many related problems. Therefore, in addition to our subjective efforts, we would like very much to receive the attention, guidance, assistance, and cooperation of upper-level agencies; of friendly institutes, schools, and units; and of the local party organization, administration, and people as they have paid attention to and assisted our school throughout the past 20 years.

SRV: General on Ho Chi Minh City's National Defense Work

962E0043A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 96 pp 48-50

[Article by Major General Phan Trung Kien: "Ho Chi Minh City National Defense Work After 10 Years of Renovation"]

[FBIS Translated Text] Owing to the implementation of the party's renovative line and under the leadership of the Party Committee and People's Committee of Ho Chi Minh City and the 7th Military Region Command, over the past 10 years, national defense work in Ho Chi Minh City, together with other domains of activities—political, economic, cultural, social, and security—has undergone important changes, has proceeded in the right direction, and has recorded significant results. The local national defense leadership mechanism from the primary to the city level has been consolidated and perfected. Education in the all-people national defense system has been advanced one step further and renovated, and vigilance has been upheld in view of the enemy's schemes and tricks of opposition and sabotage. The tasks of building city, precinct, and district defense zones and strengthening villages and subwards in all respects have been carried out in a thoroughgoing and comprehensive manner and are developing in depth. The local armed forces have been consolidated and perfected, and their general quality, especially their political quality, has been enhanced. Remaining problems concerning the Army welfare policy have been satisfactorily resolved and are going to be completely eliminated. Thus, within a short period of time, the people and armed forces of Ho Chi Minh City have radically changed the task of building the all-people national defense system, thereby making an important contribution to firmly maintaining political stability and public order and security, stepping up socioeconomic building, and creating a new posture and strength in

politics, economy, national defense, and security in all Ho Chi Minh City.

Those have been the results in the key aspects of the task of building the all-people national defense system in Ho Chi Minh City. But the overriding, vitally and profoundly significant result which constitutes the most important symbol of renovation in the domain of national defense in Ho Chi Minh City and which should be mentioned first is the fact that *the mechanism that leads and manages the task of building the all-people national defense system from the grassroots to the city level has been consolidated, perfected, and brought into full play*. Armed with a thorough understanding of the various party and government resolutions and directives, especially Political Bureau Resolution 02 on national defense tasks, the Party Committee and Military Party Committee of Ho Chi Minh City had determined that, to satisfactorily fulfill the task of building the all-people national defense system, the key factor was that the leadership and management mechanism must be developed and consolidated. At the beginning, the building of that mechanism was no plain sailing. In some precincts and districts, the mechanism remained inoperative for years. Perceptions and viewpoints had to be changed through struggle and by means of education, and the correctness and effectiveness of the new leadership mechanism had to be proved through the realities of defense zone rehearsals.

At present, through the process of consolidation and perfection, the mechanism of the party exerting leadership, the administration administering management, and the military agency serving as the staff has operated on a regular basis and with great efficiency. To enhance the operational effectiveness of the leadership mechanism and to gain a thorough understanding of the national defense and security tasks, since 1990 Ho Chi Minh City has opened training courses for more than 10,000 key cadres of the party committee echelons, the administration, and the various departments and sectors of Ho Chi Minh City. For the first time since liberation (30 April 1975), the city was able to mobilize a large force of key cadres at all the three levels (city, precinct and district, and village and subward) to take part in building defense zones. To date, 17 departments and services of the city and eight departments of the central governments stationed in the city have formulated complete logistic plans in support of defense zones and have practiced implementing them. To adapt to the peacetime requirements of national defense and security, the city has set up civil defense councils at the city and precinct and district levels.

Bringing into full play the efficiency of the leadership mechanism, the Military Command of Ho Chi Minh

City has satisfactorily performed its functions as the staff of the city's Party Committee and People's Committee in closely coordinating socioeconomic development with the consolidation of the all-people national defense disposition, which is closely linked with the people's security system. It has concentrated on investing in developing combat disposition in precincts, districts, subwards, and villages, and building defense works in coordination with economic projects in the important directions and areas of the city. As part of the local national defense arrangements, "interconnected village and subward clusters" and "safe zones" have been established in the city and its precincts and districts to hold the city in readiness to prevent and counter rebellion and to attack the enemy according to plan. This is a new model of national defense building which the city is continuing to study and perfect step by step.

The task of educating all the people in national defense has changed in both content and method. In carrying out this task, the city has not aimed at raking up quantity or gone for showy, formalistic activities, but has opted for in-depth development by means of lively, practical measures and new themes concerning the task of defending the fatherland in the conditions of peace, market economy, open-door policy, regional and international integration.... This has resulted in a qualitative change in the perception of the national defense task by cadres, party members, and all the people, thereby upholding their vigilance and readiness to defeat the enemy's strategy of promoting "peaceful evolution" and fomenting subversive rebellion.

In developing its national defense potentiality, Ho Chi Minh City has attached special importance to building up its activist political force. Relying on the effective staff support of the military organs at all levels and bringing into full play the roles of the War Veterans Association, and retired cadres, the city has tightly organized its political force, which has a highly professional operating method. In the entire city, hundreds of thousands of people have joined this force; in each village and subward, hundreds or thousands have joined; in key villages and subwards, there has been an even larger number of participants. This activist political force has always played the principal role in carrying out the national defense and security task and various socioeconomic development tasks.

Second, the city has built up its armed forces, improving their general quality and increasing their fighting strength. Thoroughly imbued with the policy of readjusting the national defense strategy and building the armed forces in the new situation, the city's Party Committee and Military Command have made adequate investment and advocated many measures aimed at im-

proving the general quality of the armed forces. They have reorganized the city's military organ to suit it to its duty of serving as the staff of the local party committee echelon and administration and as a national defense manager and military commander. They have also reduced the troop strength of the local forces; readjusted and reorganized various units and armed branches to ensure that they are well trained, compact, strong, standardized, and ready to move around to fulfill all tasks; and renovated the content and method of training and education in accordance with the armed forces' combat duties, security tasks, and field of operation in the urban and suburban areas. The party organizations and administration at all levels have made adequate financial investment to enable the local forces to build barracks and purchase additional equipment needed in daily life and for training.

Ho Chi Minh City has built up and consolidated the militia and self-defense forces to make them strong and omnipresent, emphasizing political quality and operational efficiency as the main requirements, and improving their political quality in conjunction with increasing their troop strength in conformity with the requirements of their tasks. In addition to the widely deployed stationary militia and self-defense forces, all precincts and districts have also organized concentrated, mobile militia and self-defense forces standing ready for combat duty. In conformity with the multisector market economic mechanism, the city is studying how to organize self-defense forces in a number of private enterprises. Since this is a very novel matter, there still are many problems to be resolved; but the city has gained good initial experience in order to continue proceeding more successfully.

As a major cultural, scientific, technical, and technological center, Ho Chi Minh City has to build and manage a very large mobilization-ready reserve force in terms of manpower and logistic and technical facilities. It has consolidated the frames of mobilization-ready reserves; readjusted mobilization zoning plans; organized the registration and verification of its entire reserve manpower, especially officers, technical personnel, and important technical means; and coordinated with manpower-receiving units in organizing periodic mobilization rehearsals and training, a task the city has carried out with good results.

Third, Ho Chi Minh City has achieved close coordination between the military forces and public security forces in firmly maintaining political security and public order and safety. Conscious of the city's important strategic position in the political, economic, national defense, and security domains, and aware of the complex public order and security situation, the local military

and public security forces under the direct leadership and management of the Party Committee and People's Committee of Ho Chi Minh City have strengthened and brought into play their tradition of close unity and coordination in carrying out national defense and security tasks. This cooperation is reflected in all tasks ranging from mapping out plans for developing national defense and security disposition to organizing their implementation. Leaders and commanders of the two forces at all levels—from the city to the grassroots—have always closely coordinated with each other in assessing situations and forecasting developments as well as in organizing, building, training, and using forces. The military and public security forces have really played the principal role and effectively served as the staff of the party and administration at all levels in organizing defense zones and carrying out defense zone and security drills. Owing to the successful coordination between the two forces, the city has promptly checked and frustrated the enemy's plots to cause political trouble and foment rebellion; has thwarted several attempts by the enemy to exploit our oversights in implementing the open-door policy to conduct intelligence activities, sabotage public order and security, and engage in unlawful business. The city has also ensured the safety of major political events; promptly resolved untoward incidents; smashed all hostile forces' "peaceful evolution," rebellious, and subversive schemes and maneuvers; firmly maintained political security and public order and safety; and suc-

cessfully protected the city's peaceful labor, economic building, and comprehensive development.

To meet the requirements of the military and national defense tasks in the new conditions, we would like to suggest the following:

1. We suggest that the upper echelons study the possibility of helping the Military Command of Ho Chi Minh City to continue readjusting the organization, staffing, and equipment of the city's armed forces in conformity with the task of defending a major city with many unique characteristics.
2. To make the management and direction of military work at the grassroots level more efficient, we suggest that Army officers be assigned to work at the subward level and to serve as village military unit leaders.
3. At the subward and village level, we should not organize many overlapping forces and should build a single militia and self-defense force in charge of both national defense and security duties.
4. In building the regular Army (both the main and local forces), in addition to implementing the military draft system, it is necessary to study the possibility of retaining a volunteer force (around one-fifth or one-third of the draftees) for long-term service. This is aimed at improving the quality of troops and ensuring combat readiness.

Australia

Australia: Foreign Minister on U.S. Ties, Prepositioning

*BK3005100896 Melbourne Radio Australia
in English 0630 GMT 30 May 96*

[From the "International Report" program]

[FBIS Transcribed Excerpt] Australia's foreign affairs minister, Alexander Downer, is calling for closer ties with the United States, but he says he will seek the views of Asian leaders on any agreement between Canberra and Washington.

In his first speech on Australia-U.S. relations, the foreign minister, Mr. Downer, addressed the Australian Center for American Studies. Afterwards, he told Jonathan Harley that Australia viewed strong U.S. presence in Asia and the Pacific as crucial to the stability of the region:

[Begin recording] [Downer] The United States is fundamental to the security of the Asia-Pacific region and what countries within the region have to do is encourage the United States to maintain its presence.

[Harley] And what practical measures do you have in mind to encourage the U.S. to maintain or to increase their role?

[Downer] We obviously do it through the ANZUS [Australia-New Zealand-U.S. Defense Treaty] alliance, and under the terms of the ANZUS alliance there is almost constant exchange between the Australian and the U.S. military. We have almost endless consultations at the official level.

[Harley] During the election, the coalition promised prepositioning sites for the U.S. — ammunition areas, equipment storage areas. Has that proposal gone any further?

[Downer] Well that's something we will be discussing with the United States during the course of this year, both during mine and [Defense Minister] Mr. McLachlan's visits to the United States in June and also in July at the AUSMIN [Australia-U.S. ministerial] talks. Now...

[Harley, interrupting] So they haven't expressed any interest specifically at this stage?

[Downer] Well I don't want to go into every detail in what we say to the United States, what the United States has been saying to the Australian Government over the last — not just since we've been in power but over the last year or so...

[Harley, interrupting] So presumably you see that as one way of encouraging the U.S. to keep a high-level involvement in the region?

[Downer] I mean that was the point we made in our policy. It was the point of the reference in our policy. The United States has looked at prepositioning arrangements with other countries in the region — for example, Singapore — and there may be some scope in the case of Australia, but that's something that we need to talk to the Americans about in more detail.

[Harley] In your speech you promised to check off with Asian leaders before Australia makes any bilateral agreement with Washington. [Words indistinct]?

[Downer] I didn't actually use that phrase, but of course we consult...

[Harley, interrupting] [Question indistinct]?

[Downer] Well I talked of consultation with other countries in our region as we continue to develop our relationship with the United States.

[Harley] Would you back away if an Asian country objected to a proposed agreement with Washington?

[Downer] Ah, no, that's a sort of hypothetical question, but I would say this, that you see the point — one of the points — of our commitment to the United States relationship is a regional point, and that is that we need to have the United States constructively engaged in the region.

[Harley] The U.S. defense secretary, William Perry, suggested an Asia-Pacific defense leaders' forum. Are you supportive of that proposal?

[Downer] We haven't really heard what his thinking is on that matter and we really need to hear more from Defense Secretary Perry before we could comment on it.

[Harley] What do you think Southeast Asian leaders would think of the proposal [words indistinct] fill that job?

[Downer] Well, that's, you know, what do they think about it — that's a question you'd have to put to them. I'm not somebody who would ever be presumptuous enough to speak for other countries and other foreign ministers. I think you'd have to ask them. [end recording]

Australia Opposes Inclusion of Labor Standards at WTO

BK3105092196 *Melbourne Radio Australia in English 0800 GMT 31 May 96*

[FBIS Transcribed Text] The Australian Government says it will oppose any attempt to include labor standards in international trade negotiations. Deputy Prime Minister Tim Fischer says Europe's push to set minimum international rates of pay and minimum working standards could wreck the World Trade Organization [WTO]. Mr. Fischer said Australia sided with Asia in opposing the introduction of labor standards in WTO trade talks.

[Begin Fischer recording] I am cautious and cynical about those who would push a labor standards issue to the point where it may derail the momentum of the WTO process and the Australia position, to help maintain the right course forward, will be by taking quite a sharp stand on labor standards. [end recording]

The deputy prime minister said it was the job of the International Labor Organization, not the WTO, to deal with workers' rights.

Australia Hopes To Avert 'Diplomatic Clash' With Thailand

BK3105090196 *Sydney THE SYDNEY MORNING HERALD in English 30 May 96*

[Report by David Lague — received via Internet]

[FBIS Transcribed Text] The Thai Government has angrily denied there is any link between its military and a death threat against the former Australian Minister for Foreign Affairs, Mr Evans, that has forced security services to mount a police guard for him.

But the Thai Foreign Ministry has revealed that in 1994 the Australian Security and Intelligence Organisation (ASIO) accused Thais involved with drug trafficking of plotting to kill Mr Evans, according to newspaper reports in Bangkok.

The Australian Government is trying to avoid a diplomatic clash with Thailand over the threats, despite confirmation at the weekend from Mr Evans's colleague and Opposition foreign affairs spokesman, Mr Laurie Brereton, that any harm to Mr Evans would have "shocking ramifications" for ties with Bangkok.

The Thai Foreign Ministry on Monday (27 May) called in the Australian charge d'affaires in Bangkok, Mr James Wise, to protest at the report in the Herald on Saturday that gangsters linked to the Thai military had taken out a contract on the life of Mr Evans, following his 1994 accusation that "freelance military

personnel and business spivs" in Thailand were assisting Cambodia's murderous Khmer Rouge guerillas.

Australia's military attache in Bangkok, Colonel Richard Warren, was also called in to the Thai Military Supreme Command to explain the Herald report.

Security officials in Canberra have confirmed the round-the-clock Australian Federal Police protection for Mr Evans arose because of a the threat from Thailand but the Minister for Foreign Affairs, Mr Downer, has refused to comment.

The Australian Embassy in Bangkok issued a vaguely worded statement on Tuesday which said the Herald report was "not based on any evidence possessed by the Australian Government or on any briefing from official Australian sources".

"The press report in question is purely speculative and has no official status whatsoever," the statement said.

"The Embassy wishes to emphasise that Australia enjoys very good relations with the Royal Government of Thailand and its military and police forces."

It is understood that Mr Evans helped draft the statement.

The Thai military's Supreme Command spokesman, Lieutenant-General Rattana Chaloemsaenyakon, said in a statement in Bangkok on Tuesday that there was no evidence of any military threat to Mr Evans.

The Nation newspaper in Bangkok reported that the Thai Foreign Ministry spokesman, Mr Suraphong Chaiyanam, said that Mr Wise had admitted the report was "inaccurate and speculative".

It was also reported that Mr Suraphong said ASIO had accused Thais linked to drug trafficking of threatening to kill Mr Evans in 1994.

ASIO and the Federal police have been reviewing the threat against Mr Evans every three months and have decided the danger warrants specially trained police to remain with him for the foreseeable future.

Kiribati

Kiribati: President Tito on Opposition to Nuclear Dump

BK3005120796 *Melbourne Radio Australia in English 0830 GMT 30 May 96*

[FBIS Transcribed Excerpt] The president of Kiribati says he hopes the United States will help his country prevent the setting up of a nuclear waste storage facility on a nearby atoll. [passage omitted] Kiribati President

Teburoro Tito says his country has appealed to the United States for support, since Palmyra remains an American possession. He spoke about his concerns to our South Pacific correspondent, Erina Reddan.

[Begin recording] [Tito] I have two major concerns over the proposed storage of nuclear waste materials on Palmyra Island. Firstly, the concern for the welfare of our people as a result of the possible contamination and pollution that might exist as a result of this storage; and secondly, the impact it might have on our fishing industry, on the fishing vessels that are licensed in our waters.

[Reddan] Are you suggesting that distant-water fishing nations would be reluctant to come and fish in your waters because of the potential dangers?

[Tito] Yes, I am worried about the possibility of their turning away from our waters if there is, you know, toxic material in the eastern part of Kiribati.

[Reddan] How significant is the fishing industry to Kiribati's economy?

[Tito] It is increasingly significant. It is contributing, certainly. More than a third of our revenue, the annual revenue of government, comes from fishing Licenses.

[Reddan] The Kiribati Parliament has unanimously voted to oppose nuclear dumping. What formal action will you be taking?

[Tito] We are proposing to work with the U.S. government on this particular problem. We hope to get the support of the U.S. government in our efforts to try and prevent this scheme from taking place.

[Reddan] Have you approached the U.S. government already?

[Tito] Yes, we have and we also have received their response, to the effect that they are aware of news reports but they are not associated with the plan relating to the storage of nuclear waste on the island.

[Reddan] Did the U.S. indicate that it would try and prevent this proposal from going ahead?

[Tito] There is nothing to that effect, but they have assured us that they have no formal involvement in the reported plan.

[Reddan] Do you think that this proposal will help your bid to get Palmyra back under Kiribati jurisdiction?

[Tito] I believe it is a little plus to my plan — that here it is, the United States doesn't really need it. In fact it belongs to a family, in Hawaii, to some Hawaiian citizens, and the United States is not very

much interested in the island and it's about time we had it back as part of our territory. [end recording]

New Zealand

New Zealand: Editorial Views Position of Political Parties

BK2705133796 Sydney *THE SYDNEY MORNING HERALD* in English 27 May 96

[Editorial: "NZ Last?" — received via Internet]

[FBIS Transcribed Text] By deciding to hold a general election on October 12, the New Zealand prime minister, Mr Jim Bolger, has exposed his country to an American-style campaign in length and in the promotion of personalities over policies. The immediate beneficiary is the charismatic reactionary, Mr Winston Peters, the leader of the New Zealand First Party. He has surged in the popularity ratings (29 percent of New Zealanders prefer him as prime minister to 22 percent for Mr Bolger) on the back of a blatantly racist campaign against Asian migrants, on McCarthyist attacks on prominent businessmen, on flat-earth economic nostrums and on expensive welfare promises to pensioners.

As Mr Peters and his party (also with a 29 percent popularity rating) have risen in the polls, the Alliance (11 percent), which is a left-wing collection of radical interest groups, and the Labour Party (18 percent) have sunk. The Alliance, which was in the dominant position of New Zealand First a year or so ago, has a cable car type of ratings relationship with New Zealand First. The two parties attract about 40 percent of the electorate between them. As one goes down (the Alliance currently), the other goes up.

Ever since the rise of the Social Credit Party in New Zealand in the 1970's, a protest party has tended to emerge in each election campaign. When Social Credit faded, the Values Party emerged. When the Values Party faded, the New Zealand Party, which was founded by the controversial businessman, Mr Robert Jones, had a period of popularity.

Social Credit managed to get several MP's elected. But none of these parties was serious powerbrokers under the first-past-the-post voting system with its spoils-to-the-victor outcomes. The new proportional representative voting system, however, changes this. If Mr Peters maintains (or increases) his popularity, he will control about a third of the MP's in the new parliament. It is unlikely the National Party will win a majority in its own right. Mr Peters, therefore, could be in the position of being — at least — a kingmaker or, with the votes of the other parties, the prime minister.

The Opposition Labour Party is the loser in all this. The Alliance and New Zealand First are seen by most voters as the real opposition. As Labour created the MMP (mixed member proportional) system, there is the

irony that it might have created the sword that is being used 'o destroy its credibility.

Papua New Guinea

Papua New Guinea: Increase in Border Surveillance Seen

LD3005103096 Melbourne Radio Australia in English 0900 GMT 30 May 96

[FBIS Transcribed Text] Talks between Papua New Guinea and Solomon Islands have ended with both sides agreeing that border surveillance should be stepped up. The one-day meeting, in the Solomon Islands capital, Honiara, came in the wake of increased tension between the two countries after a cease-fire on Bougainville ended last month.

A joint statement issued after the meeting says that Papua New Guinea has agreed to compensate Solomon Islands if it is found that legitimate PNG elements were involved in recent border incidents. A meeting of security officials from both countries on Friday will look at ways to tighten border surveillance. The statement said talks on a draft basic border agreement would be delayed pending further domestic discussions.

Papua New Guinea: Revolutionary Army Leaders on Hostage Fate

LD3105083096 Melbourne Radio Australia in English 0700 GMT 31 May 96

[FBIS Transcribed Text] Leaders of the Bougainville Revolutionary Army [BRA] are meeting to decide the fate of Papua New Guinea [PNG] army sergeant, Samuel Petueli, captured by rebels on Bougainville almost two weeks ago. The rebels captured Sergeant Petueli and Catholic priest, Fr Peter Chanel-Pinoko, after they had gone to meet a faction of the BRA that had indicated its willingness to surrender. Rebel factional leaders, Peter Kara and Damien Koekai, have asked PNG authorities for machine guns, ammunition, and two-way radios before they will release the hostages. Prime Minister Sir Julius Chan has warned rebel leaders of serious repercussions if the life of Sergeant Petueli is endangered.

Solomon Islands

Solomon Islands: PNG To Provide Compensation for 'Incidents'

BK3005093396 Hong Kong AFP in English 0917 GMT 30 May 96

[FBIS Transcribed Text] Auckland, May 30 (AFP) — Papua New Guinea [PNG] agreed Thursday agreed

to compensate the Solomon Islands over incidents "committed by legitimate PNG elements", a joint press statement released in the Solomon's capital Honiara said.

The Solomon's northern border with Papua New Guinea (PNG) is dominated by Bougainville, a PNG island wracked by an eight year civil war between the separatist Bougainville Revolutionary Army (BRA) and the PNG Defence Forces (PNGDF).

A ceasefire between the two was called off this year by Prime Minister Sir Julius Chan. Following this a shadowy pro-PNG group, known only as Spear, has launched incursions across the narrow straits between Bougainville and the northern Solomon Islands.

Last week Solomon's Prime Minister Solomon Mamaloni said eight high frequency radios seized by Spear were now at PNGDF bases.

Solomons Foreign Affairs Permanent Secretary Benjamin Newyear and PNG Department of Foreign Affairs secretary Gabriel Dusava met in Honiara Thursday to discuss a draft agreement on border security and cooperation.

A joint press statement said the meeting agreed to defer further discussions until internal consultations were completed.

"The meeting also addressed the current security situation at the common border in the light of recent incursions into Solomon Islands territory and agreed that both countries should step up surveillance along their respective common border," the statement signed by Newyear and Dusava said.

"PNG agreed to compensate Solomon Islands should it be established that recent border incidents were committed by legitimate PNG elements."

Security officials from both countries will meet Friday to discuss recommendations on improving land surveillance along the border.

"Discussions also included an update on the status of the repatriation of Papua New Guineans illegally living in the Solomon Islands," the statement said.

This appears to be a reference to Martin Miriori, the Honiara-based spokesman for the Bougainville Interim Government, the political arm of BRA. Earlier this year PNG demanded the Solomon's send him back but after his home was destroyed in an arson attack the United Nations arranged for him to move to the Netherlands.

JULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 362
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.